

EXHIBIT 96

[Page 1]

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

PEGGY ROIF ROTSTAIN, et al.,)
on behalf of themselves and)
all others similarly)
situated,)

Plaintiffs)

and) Case No. 3:09-CV-02384-N

THE OFFICIAL STANFORD)
INVESTORS COMMITTEE,)

Plaintiff-)
Intervenor,)

-against-)

TRUSTMARK NATIONAL BANK,)
HSBC BANK PLC, THE)
TORONTO-DOMINION BANK,)
INDEPENDENT BANK F/K/A BANK)
OF HOUSTON, SG PRIVATE)
BANKING (SUISSE) S.A., and)
BLAISE FRIEDLI)

Defendants.)

ORAL AND VIDEOTAPED DEPOSITION OF
MARK RUSSELL, RULE 30(b)(6) DESIGNEE

September 9, 2015

Volume 1

ORAL AND VIDEOTAPED DEPOSITION OF MARK RUSSELL,
RULE 30(b)(6) DESIGNEE, produced as a deponent at the
instance of DEFENDANT THE TORONTO-DOMINION BANK, and duly
sworn, was taken in the above-styled and -numbered cause

[Page 2]

1 on the 9th day of September, 2015, from 9:46 a.m. to
2 5:17 p.m., before Tonie Thompson, Certified Shorthand
3 Reporter in and for the State of Texas, Registered
4 Professional Reporter, Certified Realtime Reporter,
5 reported by machine shorthand, at the offices of
6 Baker Botts, LLP, located at 2001 Ross Avenue, Dallas,
7 Texas 75201, pursuant to the Federal Rules of Civil
8 Procedure and the provisions stated on the record or
9 attached hereto.

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ALSO PRESENT:

6 Ms. Alexis Anderson, Videographer

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1 put them into a single group called a claim group. So
2 that's what the first column is representing.

3 And then the third column is basically the
4 allowed claim amount that comes out from our calculation
5 and the rules of how we determine what an allowed claim
6 amount is. So there's multiple claims -- one or multiple
7 claims per claim group, and a single allowed amount on
8 that claim group.

9 Q. Thank you.

10 Can you explain for us how the claim groups
11 were defined and formed?

12 A. So there's -- we have an automated query that
13 does this, so there's -- I don't know the exact number.
14 There's a few different ways that a claim -- that
15 multiple claims can come into the same claim group. So
16 they -- if there's claims that are claiming the same
17 account number, so there's multiple claims claiming the
18 same CD account number or SIB account number, those
19 claims would get put into the same claim group.

20 There is -- within Temenos, which is the
21 underlying database system that existed at SIBL for the
22 CDs. So within this Temenos database, there is a unique
23 client ID. It's just a field that's associated with each
24 account, and you can have multiple accounts per client
25 ID. So if -- any claims that are claiming accounts that

1 share a client ID would be grouped together.

2 And then as part of our process, when we
3 were doing -- when we were trying to identify net
4 winners, there was an extensive process that FTI went
5 through to kind of group accounts together, looking for
6 people whose accounts are related. So any claims that
7 are claiming accounts that we had previously put into
8 groups would automatically be grouped together. And so
9 that's kind of how claims initially get grouped.

10 There's also an objection process where,
11 once we notice claimants, they can object. They can
12 object to basically anything they want to. One of the
13 objections that sometimes they'll object to is how we've
14 grouped claims together. And so sometimes we'll evaluate
15 what they give us. Maybe they'll provide us
16 documentation or they may give us evidence that suggests
17 that we should go ahead and split their accounts out
18 further into different groups to kind of meet whatever
19 requirement it is, that if we agree with their objection,
20 to kind of get to the grouping.

21 So, initially, we do the grouping
22 electronically, and then that grouping can change if we
23 agree with an objection that comes in through the
24 objection process.

25 Q. Can you give an illustrative example of an

1 than what the records the receivership has -- show
2 regarding their deposits and their withdrawals.

3 Q. And as part of the net loss calculation, the
4 receiver would eliminate any accrued interest on the
5 accounts, right?

6 A. Correct, yeah. From our perspective, we would
7 not consider accrued interest in our calculation.

8 Q. So for the receiver's calculation, it's
9 literally money deposited with SIB, subtracting out money
10 that was paid out, whether it was extraction of principal
11 or redemption of CDs or interest payments?

12 A. Essentially, yes.

13 Q. Okay. And even if something was received
14 initially by the investor as "an interest payment," it
15 would essentially be redenominated as cash out of
16 principal, right?

17 A. Well, we wouldn't really change what it's
18 called. We would just -- from our perspective, it's
19 either money coming in or money going out, and we don't
20 really make a distinction on whether it's principal or
21 interest. We're just concerned with whether you put more
22 in than you took out or if you put less in than you took
23 out.

24 Q. Okay. As I understand from the class
25 representatives' depositions, many individuals, as part

1 of the receivership process, took their final account
2 statement from February 2009 from SIB and submitted that
3 with their claim submission. Was that generally your
4 experience?

5 A. I know that there was a large number that did.
6 In terms of how many of them did that, I don't know. But
7 it was a common thing that we saw, where somebody would
8 just submit, "I'm claiming my final balance as my claim
9 amount."

10 Q. Okay. And then it was up to the receiver and
11 your team to do the hard analysis of that person's
12 historical transactions to determine how much money had
13 been deposited and how much money had been withdrawn?

14 A. Correct.

15 Q. And when you did those net loss calculations,
16 how far back in time would you go for an individual?

17 A. So we would go back as far as we have
18 information. So it kind of depends on the individual,
19 but we didn't put a cutoff on a time frame. We just went
20 back as far as our data would allow us to go.

21 Q. How far does the data allow you to go?

22 A. So it's not wholesale, across the board, but the
23 vast majority of our data begins in August of 2003.

24 Q. I see. Why August of 2003?

25 A. So from what we can tell, that's when

1 DataPro that I discussed was the predecessor to Temenos,
2 that's when it went online. And so for the live
3 connection that we had into the Antigua server, that's as
4 far back as the information went that we could make a
5 copy of from our connection in the U.S.

6 Q. What about if someone had invested in the 1990s?
7 Would the receiver's calculations capture that money in?

8 A. It depends on whether it still existed as of
9 August 2003. So if it still existed as of August 2003,
10 we have a mechanism to attempt to capture that dollar
11 amount, where any amount -- so the database shows
12 principal and interest. Like, it makes a delineation
13 between the two. And so what we would consider is in
14 August, if you have an account that just exists and has a
15 balance, anything that's in that principal column, we
16 would give the customer the benefit of the doubt that
17 that's a deposit. And so we would treat that as if it
18 was money into the bank.

19 Q. I see.

20 So if -- let's just pose an example.

21 Someone purchases in 1998, but they roll their CD with
22 the accrued interest in 2003 when the DataPro database
23 begins, they might have a principal balance that reflects
24 both their actual money deposited in hard cash and their
25 accrued interest, and essentially the receiver is going

1 kind of where it was on the 25th report. I'm sure that
2 it's probably gone up a little bit since then, but I
3 don't have specific numbers as I sit here today.

4 But, you know, we issue a certificate, and
5 in order for them to get paid and be included on a
6 distribution, they have to provide it back.

7 Q. Okay. So why don't we extract the relevant
8 statistics from the report, and then we'll go to that
9 exhibit that you folks gave to us this morning.

10 A. Okay.

11 Q. So from the 25th report, page 10, we
12 state -- the receiver states, "It sent certification
13 notices to CD claimants regarding 17,041 unique CD claims
14 and has processed certification forms received in
15 response for 14,394 of those unique CD claims."

16 Do you see that?

17 A. That's correct.

18 Q. So that means those 14,394 are then eligible to
19 receive distributions, right?

20 A. Yeah, they're eligible to go on a distribution
21 list, potentially, depending on what their response was
22 on that certification. So if they reported that they had
23 collateral recovery, then they wouldn't go on that
24 distribution list.

25 Q. I see.

1 They would be kept on a sideboard for
2 future distribution, if appropriate?

3 A. Right, if it ever became appropriate.

4 Q. I see.

5 Do you have a sense of how many people are
6 on the sideboard?

7 A. I know it's on the exhibit.

8 Q. Okay.

9 A. I don't remember the specific number off the top
10 of my head.

11 Q. Okay. No, that's fine.

12 A. Okay.

13 Q. We'll finish this paragraph, and then we'll go
14 right to there.

15 So the final statement here is,
16 essentially, of the allowed claims, there are 420 unique
17 CD claims for which the notice of determination has been
18 issued but the certification has not yet been sent. So
19 you're in an evolving process of sending things out?

20 A. Right. It's kind of a rolling basis of
21 preparing the certifications and e-mailing them out. And
22 so when the report was filed, it just happened to be that
23 420 of them hadn't yet received their certification form
24 yet.

25 Q. Okay. Got it.

1 arbitrations by investors against their Personal
2 Financial Advisors have been allowed to go forward in
3 some cases but have been stayed in others?

4 A. I don't know specifics on those kind of
5 independent lawsuits that have gone on.

6 Q. Okay. Insurance settlements, can you describe a
7 little more about the nature of the claim? Is it like a
8 theft-loss claim under a personal residential policy?

9 A. I don't know the specifics on what the claim
10 was. I just know that we've had two claimants report
11 that they've gotten settlements that were insurance
12 related.

13 Q. Okay.

14 A. I don't specifically know exactly what type of
15 claim was asserted or why the recovery occurred.

16 Q. Okay. Tax losses, can you give us a little more
17 information about what fits within this bucket?

18 A. It's individuals who have reported that they've
19 claimed losses on their, like, federal or state income
20 taxes; and then the, kind of, recovery is what the
21 reporting essentially is, the tax savings that they got
22 from reporting those losses.

23 Q. Okay. So if someone conveyed to the receiver
24 that he had taken a loss on his 2009 tax return for the
25 amount that he was out of pocket as a result of the

1 Stanford situation and then saved taxes that he didn't
2 have to pay as a result, the receiver would take that
3 amount into account for that individual's status as an
4 allowed claim recipient?

5 A. So right now the -- kind of the final decisions
6 on what's going to happen on each type of collateral
7 recovery I don't think has been made.

8 Q. Okay.

9 A. So for right now, because that individual has
10 checked the box that says I have a collateral recovery,
11 they kind of are on the back burner, or on that other
12 board that you mentioned.

13 Q. Right, the sideboard?

14 A. Right, the sideboard. But the receiver is
15 looking at each of those case by case to determine on
16 whether or not the type of recovery they've reported
17 means that they should or shouldn't be included on the
18 distribution. But their recovery doesn't change our
19 calculated allowed amount. It may -- you know, depending
20 upon what the receiver decides, it may depend on when or
21 if they ever get paid --

22 Q. Yes.

23 A. -- from equitable payment perspective. But I
24 don't think the final decisions have been made on which
25 ones would preclude you from payment and which wouldn't.

1 Q. I see. It's not altering the notice of
2 determination, but it's putting them in an altered status
3 with respect to the distributions that the receiver is
4 making?

5 A. Correct.

6 Q. I get it.

7 Why don't we do this. I have a proposal
8 that we let you walk through Russell Exhibit 9 and then
9 break at that point for lunch.

10 MS. NEUNER: Does that work for you, David?

11 MR. ARLINGTON: Sure.

12 MS. NEUNER: Okay.

13 Q. (BY MS. NEUNER) So Russell Exhibit 9 is titled
14 "Hold Mail/Alternative Addresses."

15 A. Can I tell you what it is, and then you can
16 decide if you want to go through this first or if you
17 want to go through what it relates to?

18 Q. Sure.

19 A. Okay. So this -- there is -- one of the topics
20 addressed discussing a chart that was in one of Karyl's
21 declarations that breaks down investor numbers by the
22 country that they're located in, with the total number of
23 clients and the dollar amount of their balances when we
24 took over.

25 There was a category on that chart that was

1 described as hold mail and/or SIB or STC-related type
2 address. What this is, is a further breakdown of the
3 hold mail that is in that category, kind of describing at
4 a high level, for those that have a hold-mail mailing
5 address, are we able to identify other address
6 information within our database that is not hold mail
7 related.

8 Q. Okay.

9 A. So in other words, can we go to another level
10 and actually identify an address for those hold-mail
11 recipients or not.

12 Q. So let me --

13 A. I can walk you through this if you want to, or
14 if you want to go through the chart first.

15 Q. Exactly. Let's do the Karyl Van Tassel
16 document, and then we'll piece this in right after it.

17 A. Uh-huh.

18 (Deposition Exhibit No. 15 marked.)

19 Q. (BY MS. NEUNER) Okay. I am handing you what
20 we've marked as Russell Exhibit 15, which, for the
21 record, is a document that's titled, on the first page,
22 Exhibit 13, "Declaration of Karyl Van Tassel,
23 December 2011," and internally is referred to as direct
24 testimony of Karyl Van Tassel, and which is dated, at the
25 end, as December 5th, 2011.

1 You have that document in front of you,

2 Mr. Russell?

3 A. I do.

4 Q. Okay. And then I think the chart that you're
5 referring to is on page 34, in the internal numbering of
6 the document, and page 35 at the bottom right-hand
7 corner?

8 A. Correct.

9 Q. Okay. Why don't you describe for us what this
10 chart is.

11 A. Okay. So this is a chart that we put together
12 that does a count based on clients, of identifying which
13 country they reside in based on the most recent mailing
14 address associated with that client in the Temenos CD
15 database. So it just kind of breaks it down. It
16 provides both a count of the number of clients, as well
17 as what the ending balance of their SIB accounts was as
18 of when the receivership took over in February of 2009.

19 Q. Okay. So then the tally numbers at the bottom
20 show 28,001 for number of clients and 7.19 billion for
21 amount in U.S. dollars, which I take it would be their
22 ending balance, right?

23 A. That's correct.

24 Q. Okay. So then as I understand what you've just
25 said, the address location is a categorical breakdown of

1 the most recent mailing address from the Temenos
2 database?

3 A. That's correct.

4 Q. Okay. So then do you want to go to the Russell
5 Exhibit 9 and put this together?

6 A. So on the chart in Russell 15, second from the
7 bottom there is a category that's listed as SIB, STCL or
8 hold mail addresses with 10,771 clients.

9 Q. Yes.

10 A. What Russell 9 is, is it's a identification of
11 the portion of the 10,771 that are hold mail. So on
12 Russell No. 9 where it says client ID with hold mail
13 addresses of 9,487, that is a subpopulation of the 10,771
14 in the chart in Karyl's declaration.

15 Q. I follow you.

16 A. So then, like, Russell 9 says it's based on
17 Temenos' database and its client IDs where hold mail is
18 shown as the most recent statement address.

19 Q. Okay. And just for the record, "hold mail"
20 would mean that an investor is having his or her mail
21 held at SIBL in Antigua?

22 A. It may be SIBL in Antigua. It may be, like,
23 STCL in Antigua. But, generally, one of the Stanford
24 entities, whether the bank itself or one of the trust
25 companies, would be physically holding the statements

1 rather than sending them to the customer.

2 Q. Okay. Got it.

3 A. So back to Russell No. 9. The second bullet

4 point, it says, "Client IDs with alternative addresses."

5 The first sub bullet point says there's 273 client IDs

6 that have a non-hold mail address with the same client ID

7 in Temenos. So in other words, the client ID that we're

8 saying has hold mail also has another address in the

9 system that is not hold mail.

10 Q. Okay.

11 A. 9,161 of the client IDs that are referred to as

12 hold mail in the original chart, the client IDs don't

13 have another address that's not hold mail, but there is a

14 related client within the database that does have a

15 non-hold mail address. So, like, a beneficiary of a

16 trust or the owner of a corporation or some other client

17 that's associated with more, like, a trust or entity-type

18 name. And then there's only three of the 9,437 for which

19 we are not able to identify any non-hold mail address for

20 them.

21 Q. Okay. And how does -- this group doesn't

22 necessarily all fit within the allowed claimant group?

23 A. That's correct.

24 Q. For the allowed claimant group, you would have

25 physical addresses for all of them because you're

1 potentially sending them checks, right?

2 A. It depends on how their claim was filed. I'd
3 say generally that's true, but it's not true in
4 100 percent of the cases.

5 Q. How would they get their distributions if they
6 don't have it -- if you don't have an address?

7 A. So there's some investors whose claims were
8 submitted by law firms that represent them. So we may
9 may not necessarily have the actual location, like an
10 address information from the claims process for the
11 individual investors. We may just have the address
12 associated with the law firm who is asking that the
13 correspondence and checks and communication go through
14 them rather than directly to the client.

15 Q. Got it.

16 MS. NEUNER: Okay. I think we have timed
17 this exquisitely because we are out of tape.

18 THE DEPONENT: Okay.

19 MS. NEUNER: Thank you very much for the
20 whole morning session, and we'll see you after lunch.

21 THE DEPONENT: Okay.

22 THE VIDEOGRAPHER: Off the record. End of
23 Tape 2. Time, 12:33.

24 (Lunch taken at 12:33 p.m.)

25 (Back on the record at 1:45 p.m.)

1 have attached at the back, and it's called Exhibit 39,
2 and that is a two-page chart.

3 Do you have that in front of you?

4 A. I do.

5 Q. Okay. Great.

6 So if we could, let's start with
7 Ms. Van Tassel's. She has this categorization, what she
8 calls, up above the chart, "the country-by-country
9 statistics for all CD clients are as follows." And I
10 think we had questioning about this beforehand, and it
11 shows the most recent address information for the
12 claimants as of their ending account statement, right?

13 A. Yeah. It's a clarification based on the most
14 recent mailing address, and then it provides the ending
15 balance of the accounts for each -- for the clients.
16 It's presented by countries.

17 Q. Okay. Now, the Russell Exhibit 16, which is the
18 plaintiffs' moving brief in the Proskauer case, that has
19 a chart. And if you will, on page 45, the description
20 says as follows, "The following chart, based on
21 information provided by the Antigua Joint Liquidators,
22 evidences in part -- because there are investors from
23 over 100 countries -- the geographic dispersion of the
24 class members in terms of the countries with the largest
25 concentration of Stanford investor victims."

1 Do you see that?

2 A. I do.

3 Q. Okay. And that chart tallies, in terms of
4 dollar amount, to 4.9 billion?

5 A. Correct.

6 Q. And in terms of number of civil clients, 17,605,
7 right?

8 A. Correct.

9 Q. Okay. And then to line this up, Russell
10 Exhibit 17 has this Exhibit 39 which is attached, and
11 this has -- states at the top, "Stanford International
12 Bank, Limited, in Liquidation, Summary of Claims by
13 Country and Status."

14 And do you see that covers essentially two
15 pages?

16 A. I do.

17 Q. And the number of claims tallies to 21,738,
18 right?

19 A. Correct.

20 Q. And the total value of claims tallies to roughly
21 7.25 billion. Do you see that?

22 A. That's correct.

23 Q. Okay. Had you seen before information from the
24 Joint Liquidators with respect to claimants' country of
25 residence?

1 with the Joint Liquidators --

2 (Reporter instructs deponent to speak
3 loudly and clearly.)

4 A. Sorry. The outcome, my understanding, is the
5 settlement and joint cooperation agreement was the final
6 outcome, where the receivership and the Joint Liquidators
7 agreed to kind of work together and share information.

8 Q. (BY MS. NEUNER) Okay. So as part of that
9 Chapter 15 litigation, you had seen some submissions by
10 the receiver with respect to the country breakdown for
11 the CD claimants?

12 A. Yeah, both by the U.S. receivership, our work,
13 and similar but different kind of statistics, obviously,
14 being submitted by the -- I can't remember which Joint
15 Liquidator, but one of the Joint Liquidators in the
16 Antigua process.

17 Q. Okay. So here is a question for you: With
18 respect to the first chart that we have in front of us,
19 the Karen [sic] Van Tassel one that tallies to roughly
20 7.19 billion, and the Joint Liquidators chart, which is
21 the third one, attached to Exhibit 17, which tallies to
22 7.25 billion, do you have an understanding of whether the
23 receiver and the Joint Liquidators are generally in
24 agreement with respect to the breakdown of countries?

25 A. I know that the Joint Liquidators and the

1 receiver break down the countries based on different
2 data. So, like, I know that ours --

3 Q. Can you explain that?

4 A. So I know that ours is based on the most recent
5 mailing address. We don't know specifically, exactly
6 how -- what field or what code the JLs are using to do
7 their breakdown, but we know that they're not using the
8 most recent mailing address.

9 Like, I know during the Chapter 15, we
10 attempted to re-create it, and we couldn't exactly
11 re-create their numbers, but we could get close
12 using -- there's a field within the database that
13 purports to provide the nationality on an account basis,
14 and it looks like they were using that nationality field
15 rather than the mailing address.

16 Q. When you say there's a field in the database, do
17 you mean the Temenos database?

18 A. Correct. Yeah, the underlying tables in the
19 Temenos database, there's a field that purports to show
20 the nationality.

21 Q. So do you have that field too and you're just
22 not utilizing it?

23 A. We do have that information. We were -- you
24 know, when we were doing our litigation and our
25 classification, we basically made the conclusion that for

1 purposes of what we were doing in Chapter 15, what was
2 important to us was where that person actually physically
3 was, which we felt was better represented by the mailing
4 address, than necessarily where that person happened to
5 have been born --

6 Q. Yes.

7 A. -- which the nationality would be potentially
8 more representative of.

9 So we didn't care if you were born Mexico.
10 We cared more if you actually were in the United States
11 when you were buying your CDs or if you were in Venezuela
12 when you were buying your CDs. So more where you were
13 located, not necessarily where you were born.

14 Q. Okay. Getting back to the receiver's analysis
15 and Karen [sic] Van Tassel's declaration, she's giving a
16 breakdown of what I understand to be the full universe of
17 claimants or individuals who held accounts, right?

18 A. It's a breakdown of all clients in the database
19 at that time.

20 Q. Okay.

21 A. It's possible that you could have a client that
22 no longer had a balance, so they would increase our
23 count, but they would be included in our total client
24 number. So it's anybody who existed in the database,
25 essentially.

1 Q. I follow you.

2 Now, to your knowledge, has the receiver
3 generated a similar set of data for the allowed
4 claimants, showing their address location?

5 A. Not that I'm aware of.

6 Q. Okay. And I'm going to stick with Karyl Van
7 Tassel's declaration for a moment. Because from our
8 perspective, when we're trying to figure out the country
9 breakdown for the claimants, we have the receiver's
10 numbers here for the 7.2 billion, but we're trying to
11 figure out the country breakdown for the allowed
12 claimants, which would be the roughly 4.5 billion number
13 at this point in time, right?

14 A. I -- yeah.

15 Q. All I'm asking you for right now is that
16 4.5 billion, right?

17 A. Yeah, correct.

18 Q. So putting all this together, as we sit here,
19 the receiver, I take it, has not generated a
20 country-by-country breakdown for the 4.5 billion in
21 allowed claims of CD investors, right?

22 A. Correct, we have not generated that as of today.

23 Q. Do you have an understanding of whether the
24 percentage breakdown, which you see in the second column
25 here as percentage of clients or the percentage breakdown

1 based on U.S. dollars, would be similar in the allowed
2 claimant category and essentially prorated down to the
3 4.5 billion, or do you have a sense that entire countries
4 were excluded, that sort of thing?

5 A. I don't -- I don't know if it would be equal
6 without really running the analysis. You know, we
7 could -- because of the way our data works, we
8 could -- we could generate a similar chart that excludes
9 anybody who is not in a claim group or has an allowed
10 amount. So it's something we could do. So I don't
11 really know if it would bear that way out.

12 I do know that there's not -- I don't know
13 of any instances where a country has been completely
14 excluded. I also haven't looked to see if that's true.
15 But I do know there isn't, like, a process or step where
16 any particular country is being excluded because of that
17 country.

18 So if it has occurred, it's just -- it's
19 because they're being excluded for another reason, like
20 being a net winner or being a defendant or some other
21 reason.

22 Q. Okay. Let me show you -- direct your attention
23 to the line in the Karyl Van Tassel testimony to Antigua
24 and Barbuda.

25 A. Uh-huh.

1 Q. Now, is it true that Antiguan residents were not
2 allowed to buy the SIBL CDs?

3 A. Our understanding is that a resident of Antigua
4 or, like, a citizen of Antigua would not be allowed to
5 buy the CDs.

6 Q. Okay. Can you help us understand why there
7 would be a line item for Antigua and Barbuda?

8 A. We haven't investigated it to, like,
9 specifically know the answer, but I do know that expats
10 live there, and I don't know whether or not they would be
11 excluded from buying CDs. I just don't know the law on
12 that. But the reason they would show up in this chart is
13 because there are some clients who have a physical
14 mailing address that is in Antigua or Barbuda that is
15 unassociated with a Stanford-related entity.

16 Q. Okay. And going back to your hold
17 mail/alternative addresses, of the 10,771 who show up in
18 the SIB, STCL or hold-mail addresses, you essentially can
19 find a proxy address, if you will, for the vast majority
20 of those individuals, right?

21 A. So the only -- so that category had SIB, STCL or
22 hold mail. The only piece we've done additional analysis
23 to date on is the hold mail.

24 Q. Okay.

25 A. And so the 9,437 is just that hold mail piece.

1 Q. Yeah.

2 A. And we're able to identify additional addresses
3 for all but three of them. We could do the analysis on
4 the other pieces; we just haven't done it to date.

5 Q. Have you created a new chart that would reflect
6 the reallocation of the -- that 9,434 individuals to the
7 other countries?

8 A. We haven't done that.

9 Q. Do you know where proportionally those
10 individuals would be reallocated?

11 A. We haven't actually looked at where they would
12 sit. We've just looked to see if there is another
13 address. So we'd need to take it to that next step of
14 saying and now break that further down by country, which
15 we haven't done yet.

16 Q. Right. So you can't say to me, Lynn, of those
17 9,400, the vast majority are in the United States?

18 A. Right, today I couldn't say that. We'd have to
19 do more analysis to figure out what that breakdown is.

20 Q. Okay. Do you have an understanding of the
21 following? On the Karyl Van Tassel declaration, for the
22 United States of America, she has 2.6 billion, or
23 37 percent of the total of roughly 7.2 billion?

24 A. Correct.

25 Q. Okay. Now looking at the third chart we have in

1 2.4 billion that's in the hold mail address in the
2 Van Tassel chart was reallocated back among the other
3 countries?

4 A. They potentially could be closer. I don't know
5 that they would ever -- because we're classifying based
6 on address versus nationality, really for them to
7 harmonize, we'd either have to both clarify on address or
8 both clarify on nationality.

9 Q. Okay.

10 A. Because that's really what's driving the
11 differences between the two.

12 Q. Uh-huh. I follow.

13 So as we sit here today, if the receiver
14 had to, you could run a chart on the 4.5 billion in
15 allowed claims and categorize the claimants either by
16 their last known address or by their nationality?

17 A. Correct.

18 Q. Okay. Let's talk about the United States
19 claimants.

20 A. Okay.

21 Q. To your knowledge, has the receiver undertaken
22 an analysis of the United States claimants on a
23 state-by-state basis?

24 A. Not the claimants. The only thing that we've
25 done for a state perspective is we've taken the same

1 7,000 that's in the Karyl's chart, in this Exhibit 15,
2 and broken those down by state.

3 Q. And what did you do that for?

4 A. I believe there was a request that we received
5 from a member of the -- one of the
6 Stanford -- either -- I don't remember if it was the OSIC
7 committee or if it was the Stanford victims' coalition.
8 There was a request that came through asking if we could
9 do a state-by-state breakdown, so we provided it for
10 that.

11 Q. Okay.

12 (Deposition Exhibit Nos. 19 and 20 marked.)

13 Q. (BY MS. NEUNER) Let me show you a document which
14 I'll mark as Russell No. 19. Here you go. And then,
15 Mr. Russell, I'm going to give you a companion exhibit,
16 which I'm marking as Russell No. 20, and I'll explain
17 what that is in a moment too.

18 Okay. For the record, Russell No. 19 is a
19 one-page document stamped Abbott 6, and at the top in
20 handwriting says, "CD losses by states." And Russell
21 No. 20 is a one-page chart called "Class Composition,
22 47 States."

23 And, Mr. Russell, what I'll tell you is
24 that Exhibit No. 20 is again created by Simpson Thacher,
25 and it is simply a chart using the data from Exhibit 19

1 in an easier-to-read format.

2 A. Okay.

3 Q. So we can use the two sort of interchangeably to
4 help read the numbers and so forth.

5 Let me start with Exhibit 19.

6 A. Okay.

7 Q. Can you tell us what this is?

8 A. So this is a chart prepared by FTI that takes
9 the 7,072 United States address clients from Karyl's
10 original chart in Russell 15 and breaks those down by the
11 state that they're located in, using that same mailing
12 address information.

13 Q. Okay. Now, this is somewhat hard to read, but
14 with my magnifying glass, I was able to discern that the
15 first column says "State address." The second column
16 says "number of clients," and the third says "most recent
17 statement information." Underneath that, in all
18 capitals, "Total ending balance USD."

19 Does that make sense to you?

20 A. That's correct.

21 Q. Okay. And then when do you recall creating this
22 chart?

23 A. It was in February 2009. This version is
24 actually February 22nd, 2009.

25 Q. I see.

1 And when you created it, do you remember
2 what you did with it, who did you give it to?

3 A. I believe we provided it to counsel so they
4 could provide it to the original requester, which
5 was -- I don't remember her name, but she used to be in
6 charge of the Stanford investors coalition or the -- I
7 don't think she is anymore, but I know she used to lead
8 it.

9 Q. Okay. Do you remember the woman's name?

10 A. That's --

11 Q. Okay. That's no problem.

12 A. I'm thinking it's, like, Angie something, but I
13 don't remember her name specifically.

14 Q. Okay. And at the top this states, "Stanford
15 Financial Group Most Recent Mailing State Breakdown for
16 SIBL Claims with Most Recent Statement Mailing Address
17 Within the United States." And then after that it says
18 as of February 22, 2009, right?

19 A. That's correct.

20 Q. Okay. And the very bottom footnote says, "There
21 are an estimated 71 unique SIBL claimants with the most
22 recent statement mailing address within the United States
23 that has a blank value for the mailing state address"?

24 A. That's correct.

25 Q. Have you ever been able to ascertain the

1 information for those?

2 A. We have not.

3 Q. Okay. Now, I'm looking at Exhibit No. 20,
4 which, again, is just a more readable version of this
5 other chart, 19. We've ranked these states by highest
6 dollar value to lowest dollar value. Do you see that?

7 A. Yes.

8 Q. Now, as we've talked about, this tallies to
9 2.6 billion, which was the account statement and not the
10 allowed amount, right?

11 A. That's correct.

12 Q. In this chart, Florida is the highest-dollar
13 state at 857 million with 33.26 percent of this universe,
14 which adds to 2.6 billion, right?

15 A. That's correct.

16 Q. Do you have an understanding as you sit here
17 today whether Florida would still have the highest-dollar
18 percentage for the allowed claimants?

19 A. I don't. We'd have to -- we could rerun the
20 analysis to figure it out, but I don't know exactly how
21 it would break down from an allowed amount.

22 Q. Okay. Just to be clear, as we sit in our
23 chairs, the receiver could do a state-by-state breakdown
24 for the allowed claimants based on either the most recent
25 mailing address or the nationality, right?

1 A. We could -- we can do it by the most recent
2 mailing address. For the nationality, we'd have to do it
3 as a combo. So we'd have to identify who is the U.S.
4 based on nationality and then use the address to pull out
5 the state.

6 Q. Oh, good point. Right. Because, for example,
7 one of our other claimants, Ms. Sarah Ellison-Rogers, is
8 a UK citizen, but she resides in North Carolina?

9 A. Right. And so if we classified them by
10 countries and nationality, in her instance you would have
11 her classified as UK, so she wouldn't have a state, so we
12 wouldn't be able to -- if we were classifying it that
13 way, she would be a UK national with a United States
14 state, which just wouldn't make sense.

15 Q. Right, right. I follow that.

16 A. Uh-huh.

17 Q. Is it your under -- or do you have any
18 understanding whether there are still 47 states
19 represented in the allowed claimant population?

20 A. I don't.

21 Q. Okay. Do you have an understanding whether
22 there are still 106 countries included in the allowed
23 claimant population?

24 A. I don't. We'd have to rerun the analysis.

25 Q. Would it surprise you to learn that there were

1 one of the two?

2 A. Could have been Mr. Powers, Mr. Arlington, or
3 Mr. Day, one of those three.

4 Q. Then, if you will, go ahead and just
5 narratively, because it'll be faster, take us through
6 your three meetings with Mr. Alexander, whether by phone
7 or in person.

8 A. So I believe -- I'm trying to see if I can
9 remember each one specifically. I know the topics that
10 were covered in general on all three. I can't say with
11 certainty which topic was in which phone conversation.
12 So at a high level what we discussed was the
13 transactional information and deposit and withdrawal
14 summaries that we provided them for the class
15 representatives.

16 We also had discussions with them regarding
17 what level of information we had regarding addresses; how
18 extensive was, like, the nationality field populated;
19 were there any other potential identification fields in
20 the database and how extensively were they populated.

21 We also had discussions about kind of that
22 cutoff period that we have at the beginning, where data
23 begins on August 2003. We had a discussion about some
24 accounts for which they're on what we refer to as
25 quarterly statements. So some of the last information we

1 have for them is actually December 2008. It doesn't,
2 kind of, follow through that last month and a half.

3 And then we also discussed some, kind of,
4 parameters around, like, a gap that we have, like -- a
5 six-month gap of data that we have within the
6 transactional information.

7 Q. When does that six-month gap take place?

8 A. Goes from June 1st, 2006, through essentially
9 December 2006, but we do have the ending balance
10 information for December 2006.

11 Q. Why do you suppose that gap exists?

12 A. We haven't been able to figure it out. We do
13 know from some of the reconciliation we've done with the
14 JLs, the gap appears to exist in their live data set as
15 well. So it looks like for some reason the live version
16 of the database that we pulled our copy from, at some
17 point, either because that piece of the hard drive was
18 corrupted or because somebody had accidentally erased
19 some information or it just kind of went away, that that
20 live version of the database that we pulled our copy from
21 just didn't have that transaction activity in it.

22 Q. Okay.

23 A. And then kind of the last thing that we
24 discussed is there's -- similar to the 12/31/2008 issue,
25 there's a few accounts in there that will sporadically

1 have a few transactions missing from one of their
2 accounts. Like, if they're on a quarterly statement,
3 they may be missing some information from, like, the
4 January/February and they'll just have the
5 March transaction information.

6 Q. So essentially, that last category is missing
7 gaps within the quarter?

8 A. Correct. Like, it's not -- it's not pervasive
9 and always there. It's kind of sporadic in that it'll
10 happen every once in a while.

11 And then the last kind of topic that we
12 kind of covered is other data that the receivership kind
13 of has available; what type of bank information do we
14 have; you know, statements, wire information, check
15 copies; what potentially do we have from a hard copy
16 perspective in the U.S.; and potentially what may exist
17 that we could get access to from the JLs through the
18 cross-border agreement.

19 Q. Okay. On that last item where you referred to
20 what information the JLs have that we could get access to
21 through the cross-border agreement, is your sense that
22 the receiver has more comprehensive, richer data, or that
23 the JLs do?

24 A. From what we've seen, it looks -- from the live
25 data set, it looks to be about the same. We have

1 A. The documents, or what the agreement kind of
2 says?

3 Q. No, no, we know the agreement, so we'll save you
4 there.

5 A. Okay.

6 Q. The information gathered and maintained by the
7 Joint Liquidators, we had talked about, essentially, what
8 they provided to you.

9 A. Correct.

10 Q. And the short form of your testimony was you
11 weren't exactly sure what the receiver had produced back
12 to the Joint Liquidators, if much, right?

13 A. That's correct.

14 Q. Okay.

15 MS. NEUNER: Thank you.

16 Q. (BY MS. NEUNER) Is there anything further with
17 respect to information exchanged with the Joint
18 Liquidators that we haven't covered?

19 A. Not that we've kind of exchanged en masse. I
20 think what this is referring to is just kind of what we
21 discussed and what I had discussed earlier here, was that
22 there are SIBL client records down there that we are
23 aware of and potentially backup tapes with SIBL data that
24 predates '03.

25 Q. Okay.

1 A. But we haven't actually exchanged that
2 information with the liquidators to date.

3 Q. I see.

4 MS. NEUNER: Okay. We're almost near the
5 end of our tape. I'm going to propose that we stop now,
6 and I'm going to review my notes and talk to the folks on
7 the other side of the table about the most efficient way
8 to spend the rest of the afternoon.

9 THE DEPONENT: Okay.

10 MS. NEUNER: Okay. Thank you very much.

11 THE DEPONENT: No, no problem.

12 THE VIDEOGRAPHER: Off the record, end of
13 Tape 3. Time, 3:05.

14 (Break taken at 3:05 p.m.)

15 (Back on the record at 3:17 p.m.)

16 THE VIDEOGRAPHER: Back on the record,
17 start of Tape 4. Time, 3:17.

18 EXAMINATION

19 BY MR. HAMPTON:

20 Q. Mr. Russell, my name is Wallis Hampton. I
21 represent Societe Generale Private Banking (Suisse). I
22 just want to go over a few of the things we talked about
23 today.

24 A. Okay.

25 Q. Let's start by getting out Exhibit 8, which is

1 (Back on the record at 4:50 p.m.)

2 THE VIDEOGRAPHER: Back on record. Start
3 of Tape 5. The time is 4:50.

4 MS. NEUNER: Thank you.

5 Q. (BY MS. NEUNER) Mr. Russell, let's go to the
6 warehouse documents, if you would describe what that
7 means for us.

8 A. So the receivership has, like, a warehouse space
9 where we keep all of the, kind of, hard copy records that
10 the receivership gathered and took control of when the
11 receivership took, like -- kind of got put in place in
12 February.

13 There were offices kind of spread
14 throughout the U.S., like Stanford group offices.
15 There's offices, I don't know everywhere, but I know
16 there's some offices in DC, Florida, Memphis, Houston,
17 kind of spread out throughout the United States.

18 And so all of that -- all of the hard copy
19 records were all brought into one space down in Houston,
20 and I believe it's still in Houston. There's a warehouse
21 in Houston that has those hard copy records.

22 Q. Could you quantify the volume in this warehouse
23 for us?

24 A. I haven't ever walked through it.

25 MR. ACKER: Could you speak up a little

1 bit?

2 THE DEPONENT: Sorry.

3 A. I haven't walked through it. It's a lot. I
4 don't know the exact parameters on how big it is, but
5 there's hundreds of boxes of hard records -- of hard copy
6 records. I don't know if it approaches thousands, but I
7 know it's over hundreds.

8 MR. ARLINGTON: It's over 15,000 boxes.

9 MS. NEUNER: 15,000 boxes?

10 MR. ARLINGTON: Right.

11 Q. (BY MS. NEUNER) And maybe you know this, or
12 maybe you don't, but I'll ask. Do you think those 15,000
13 boxes all come from Stanford, so they're Stanford-related
14 documents, or would they also include documents from
15 third parties?

16 A. Like, documents that have been produced to the
17 receivership?

18 Q. Yes.

19 A. I don't know. I know it has the
20 Stanford-related documents. I don't know if that's also
21 where the receiver would store any hard copy production.
22 I just don't know.

23 MR. ARLINGTON: Lynn, I'm happy to visit
24 with you about any or all of this off the record, to give
25 you an idea of what's there, what's not.

1 everything for all of the entities, but for the ones that
2 were managed and kind of operated from Houston, it
3 contains a lot of the underlying accounting, general
4 ledger-type transactions.

5 Q. Okay. Okay. Let me turn to a topic that we
6 noticed for today's deposition but we hadn't gotten to
7 yet.

8 A. Okay.

9 Q. We had asked about the receiver's ability to
10 calculate investors' losses for post-August 23, 2004, and
11 pre-August 23rd, 2004. I understand that this may not be
12 possible, but let me just open it up to you to tell us
13 what is possible, what you could do.

14 A. So we haven't undertaken to do that kind of
15 analysis. First, there's several different assumptions
16 that you would kind of have to go through and kind of
17 establish, how are we going to deal with this specific
18 item. Like, such as, how are you going to deal with
19 rollovers? Do you consider that to be -- if it rolls
20 over after that date, is that new investment in, or do
21 you keep the date from when it came in before the date?

22 Similar to transfers, if there is money
23 that was invested in a CD before that date, that CD
24 matured and they transferred it a new CD, would you
25 consider that as post or pre? So you'd kind of have to

1 establish some protocols around that.

2 You'd also need to establish some protocols
3 on how -- since essentially what you're trying to do is
4 you're trying to say the money that was in existence
5 prior to that date, how much of that is left in the
6 allowable amount, you're kind of talking about a tracing
7 analysis, like identifying specific dollars and seeing if
8 they're still in the bank at the end of the day.

9 So you'd also kind of have to establish how
10 you're going to treat how money moves. So does it move
11 on a first-in/first-out basis? Does it move on a
12 last-in/last-out basis? And then you'd also have to do
13 one more kind of assumption. Do you assume that interest
14 moves before principal, that principal moves before
15 interest, or that it moves kind of in relation to it on a
16 percentage basis?

17 Once you do that, you know, with the
18 transaction detail that we have, you can develop a query
19 where you could then trace the money according to your
20 parameters, to say, okay, well, how much of this does or
21 doesn't exist in the allowable amounts that are being
22 calculated? Or how much of this does or doesn't exist in
23 the -- still exists in the bank at the end of the day
24 that's a part of the 7.2 billion? Kind of depending upon
25 what the actual damage calculation is going to be, you

1 could develop a query to kind of trace those funds once
2 you kind of establish those rules.

3 Q. I follow that.

4 Would you also have to potentially break
5 apart your groups into individual claimants?

6 A. Like -- that's kind of like another
7 establishment that you'd have to decide, is am I going to
8 treat this on an account-level basis, on a client ID
9 basis? Like, how am I going to group it for that
10 perspective? It wouldn't really affect whether the money
11 still existed; it would affect who you associate the
12 money with --

13 Q. Right.

14 A. -- potentially, if you're going to segregate it
15 that way. There's a lot of -- there's a lot of question
16 marks that you would have to give answers to, kind of set
17 the parameters first, but you could that.

18 Q. Okay. So as we sit here today, we have
19 approximately 4.5 billion in allowed amounts, but that
20 really covers the claimants' submissions going back to
21 the earliest analyzed time frame, which is roughly 2003?

22 A. Yeah, roughly August 2003.

23 Q. Right. But even that would still potentially
24 take into account preceding amounts, earlier than
25 August 2003, to the extent they were showing up or being

1 counted as principal as of August 2003, right?

2 A. Correct.

3 Q. Okay. So on a very rough basis, would you think

4 that cutting off money that was invested prior to

5 August 23rd, 2004, from the overall \$4.5 billion

6 calculation would decrease it?

7 A. I haven't -- it could or -- it may or it may

8 not, because it depends on whether or not -- if you're

9 talking about specifically did the money that existed

10 still exist, you'd kind of have to do that tracing to

11 find out. It could, but it's not necessarily given that

12 it would.

13 Q. Can you explain that a little bit more?

14 A. Yeah. So, like, let's take an instance -- so,

15 like, I'll give you kind of two examples, one where it

16 would and one where it wouldn't.

17 Q. Okay.

18 A. So one where it would is if you had an

19 individual that invested \$100,000 prior to August 23rd,

20 2004.

21 Q. Right.

22 A. And then they invest \$100,000, say, in

23 January 2007 and they never take out any withdrawals.

24 For that particular person right now, we'd have an

25 allowed claim amount of \$200,000. And if you removed any

1 money that came in prior to August 23rd, 2004, it would
2 reduce it to 100,000.

3 Q. Okay.

4 A. If you take -- and this is if you're talking
5 about is the money that's a part of the loss still in the
6 bucket, right. So if you take kind of a similar
7 situation, somebody invests \$100,000 before August 23rd,
8 2004, and in December 2005 they withdraw 125,000. So
9 they take out all that original 120,000 -- 100,000 plus
10 25,000 interest.

11 Q. Okay.

12 A. And then, say, in -- again, like, say,
13 January 2007, they invest \$225,000, for that person, they
14 have two -- they have 325,000 in, 125,000 out, and they
15 have a net loss of 200,000.

16 Q. I need you to do that back one more time.

17 A. Sorry.

18 Q. Because here's where I -- I put in 100,000 in
19 August -- prior to August?

20 A. 100,000 prior to August.

21 Q. Yeah.

22 A. 125 out in December '05.

23 Q. Yes?

24 A. And then in January '07, they put in 225.

25 Q. Oh, that's where I missed it. Okay.

1 A. So at an aggregate level, that person also is a
2 \$200,000 net loser. But if we remove the 100,000 from
3 their overall net loss, well, that 100,000 is not a part
4 of the 200 that they lost that came into the bank after
5 January.

6 So it's not going to reduce the total
7 allowed amount for them by removing the earlier
8 withdrawal. So it just depends on whether that money
9 would still exist at the end of the day in the bank or
10 not. And until you do that, you don't really know
11 whether it would go down or not.

12 Q. So they would be 325 invested, cash in?

13 A. Correct.

14 Q. They'd be -- they withdrew 125, so they're out
15 of pocket 200?

16 A. Correct.

17 Q. But if you remove the first 100,000, because
18 that's an investment prior to August 2004, right,
19 wouldn't it be they'd have \$100,000 of loss?

20 A. I guess it depends on how you're saying that
21 part of the calculation should be. The way I was
22 interpreting your question is how much of the money that
23 was in there prior to '04 is still a part of the
24 allowable amount.

25 Q. Yeah.

1 A. And so the money from pre-2004, the 100,000,
2 doesn't exist in the bank anymore.

3 Q. Right.

4 A. So there's nothing to remove from their allowed
5 amount of 200. If you're just saying ignore all
6 transactions that happened before August 2004, that would
7 get a little wonky because people are taking money out
8 without ever putting it in.

9 Q. Right.

10 A. But if you went that way, then that calculation
11 would be what you said. If you're saying just ignore the
12 transactions, versus I just want to know whether or not
13 that specific money still existed, that's kind of two
14 different analyses.

15 Q. Yeah. I think what you'd really have to do is
16 look only at purchases after August 23, 2004. So
17 honestly, you would only look at the January 2007
18 purchase?

19 A. The 225.

20 Q. Of the 225?

21 A. Right. And then that's where you'd have to
22 define what you mean by "purchase."

23 Q. Yes.

24 A. Because would you consider a rollover a
25 purchase? Would you consider one CD that was \$300,000

1 becoming three CDs that are 100,000 each, are those
2 purchases? So that's where kind of that definition of
3 how do we treat those types of instances, how would you
4 do that.

5 Q. I agree with you.

6 A. So you would have to set your parameters. But
7 once you set the parameters, you can build a query to say
8 treat these transactions in this way, and then you can
9 run it against the database to get the numbers.

10 Q. Uh-huh. Those two examples were very helpful.
11 That was good. It makes you realize there are so many
12 facets to this because of the potential for the
13 withdrawals.

14 There's one other permutation I wanted to
15 ask you about. If someone had invested prior to
16 August 23, 2004, and they bought a five-year CD and just
17 left it there, right? So they're an account holder as of
18 February 2009, but they haven't made any purchase during
19 the August 23, 2004, to the February 2009 period.

20 A. Uh-huh.

21 Q. That person would be eliminated completely from
22 this calculation I'm asking you to perform, right?

23 A. Yeah, under the assumption -- like, under
24 any -- under kind of any way that you would look at it,
25 if a person, say, deposited \$100,000 in July 2004 on a

1 five-year CD that would mature in July of 2009, so after
2 the receivership took over, and if they had no transfers
3 of any kind after, it just kind of sat there and nothing
4 happened, if you were going to say is that \$100,000 still
5 in the -- quote/unquote, in their account and a part of
6 their allowed claim amount, then the answer would be yes.

7 Q. Right.

8 A. So if the decision was to eliminate those
9 amounts, then that 100,000 would be eliminated.

10 Q. Right. Okay. Thank you. It's a bit of a brain
11 teaser.

12 A. No, that's okay.

13 Q. One last subject matter for you. It goes back
14 to this Collateral Source Recoveries. We learned during
15 Mr. Abbott's deposition -- I alluded to this earlier --
16 that he's brought an individual suit against his personal
17 financial advisor, Mr. Halliday in Mississippi, but it's
18 been stayed --

19 A. Okay.

20 Q. -- as a result of the stay associated with the
21 receiver's actions.

22 Now, assuming that stay gets lifted at some
23 point in the future and Mr. Abbott is allowed to proceed
24 to try and collect money from his personal financial
25 advisor, would the receiver anticipate working that into

EXHIBIT 97

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

PEGGY ROIF ROTSTAIN,)	
et al., on behalf of)	
themselves)	Case No. 3:09-CV-02384-N
)	
and)	
)	
all others similarly)	
situated, Plaintiffs,)	
and THE OFFICIAL)	
STANFORD INVESTORS)	
COMMITTEE,)	
)	
Plaintiff-Intervenor.)	
)	
VS.)	
)	
TRUSTMARK NATIONAL)	
BANK, HSBC BANK PLC,)	
the TORONTO-DOMINION)	
BANK, INDEPENDENT BANK)	
F/K/A BANK OF HOUSTON,)	
SG PRIVATE BANKING,)	
(SUISSE) S.A. and)	
BLAISE FRIEDLI,)	
)	
Defendants.)	

ORAL AND VIDEOTAPED DEPOSITION OF
SALIM ESTEFENN URIBE
SEPTEMBER 10, 2015
VOLUME 2

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• _____ •

18 REPORTER NOTE: All answers given in English unless
19 noted.

1 Q. You're aware of the claims process involving
2 the receiver for the Stanford Bank; is that right?

3 THE WITNESS: "You're aware" means?

4 THE INTERPRETER: You are aware.

5 (Interpreting.)

6 A. Yes.

7 Q. (BY MR. POLSTER) And you're aware of the
8 claims process involving the Joint Liquidators for
9 Stanford; is that correct?

10 A. Yes.

11 Q. Have you done anything to help the members of
12 Grupo PH submit claims in either the Joint Liquidator
13 or the receivers claims processes?

14 A. Yes, I help them if they need it.

15 Q. And what have you done to help members of
16 Grupo PH in the Joint Liquidators and receiver claims
17 processes?

18 A. Just bringing them the forms for claim and
19 helping them with scanning the documents and sending
20 through email. That's all I've done.

21 Q. So which documents have you scanned for the
22 Grupo PH members?

23 A. The -- for instance, the -- the form for the
24 claim and through the receivers, through the
25 liquidators, Grant Thornton, and passports,

1 statements, that kind of information. Information
2 from Stanford Bank.

3 Q. And do you ever fill out the receiver's form
4 or the liquidator's form for another person?

5 A. For my mom. Just for her.

6 Q. Do you ever -- I'll reask that question.

7 Have you ever sent a form to the Joint
8 Liquidator on behalf of a person other than your mom?

9 A. Yes.

10 Q. And what were the circumstances where you did
11 that?

12 A. Why?

13 Q. Yes.

14 A. Because they do not have -- they're old
15 people. They do not have an email. They do not know
16 how to -- how it works, so I just helping them.

17 Q. And the same, have you ever sent forms to the
18 receiver on behalf of investors other than your
19 mother?

20 A. Yes.

21 Q. Why have you decided to help the Grupo PH
22 members?

23 A. Because I know how they feel. I mean, it's
24 the same as I do. They -- old people need some help
25 sometimes. So that's what I am doing. Helping them.

1 Q. Is that your handwriting?

2 A. Yes. It looks like it.

3 Q. Is this a claim form for one of your
4 accounts, Mr. Estefenn?

5 A. You mean my investment?

6 Q. Right. Is this a claim form for one of your
7 investment accounts with Stanford?

8 A. You mean my -- my investment or investors,
9 you mean?

10 Q. Your -- I'll reask the question.

11 Is this a claim form for the Esturicol Trust?

12 A. I don't see Esturicol trust. I think it's
13 not.

14 Q. And is it a claim form for the Salesur Trust?

15 A. No.

16 Q. So is it a claim form for some other
17 investor?

18 A. Maybe my brother. Maybe.

19 Q. Is it possible that it's a claim form for
20 someone who's not related to you?

21 A. Yes. I just -- I've sent from two or three
22 people more. But, in fact, it's in the documents that
23 I sent.

24 Q. So you have filled out claim forms for some
25 people who are not related to you?

1 A. Well, I just help people. Yeah. Maybe --
2 maybe a couple since then.

3 Q. So who are the people -- you don't need to
4 say their names who you filled the claim forms out --
5 I'll reask the question.

6 Have you filled out claim forms to the
7 liquidators for members of Grupo PH who are not your
8 family?

9 A. Maybe a couple more, yeah.

10 Q. And how did you have the information to fill
11 out the claim forms of those people?

12 A. Those people have gave me the information.

13 Q. And why did you fill out the claim forms
14 on -- for those Grupo PH members?

15 A. Because as I said in the beginning, they are
16 old people, and they need some help just for that.

17 Q. Did you ever sign the names of Grupo PH
18 members to the claim forms who are not your family
19 members?

20 A. If I have signed the forms?

21 Q. Correct.

22 A. No.

23 (Estefenn Exhibit 159
24 marked/introduced.)

25 Q. (BY MR. POLSTER) This is Exhibit 159. It's

1 A. Well, it was -- we do not have a form --
2 procedure. This person want to be part of the group
3 and I sent this information. But there is no specific
4 process out. We have no -- no specific process.

5 Q. (BY MR. POLSTER) But it was common for you to
6 ask the members of Grupo PH to provide you information
7 on the amount of their Stanford investments?

8 A. No, it's their -- I mean, it's their
9 information. It's their information. It's not
10 necessary, I mean. I just try to help people when
11 they need it. Provide the information.

12 Q. Sure.

13 Why did an investor providing you with the
14 amount of their Stanford investment help you to help
15 that investor?

16 A. They do not have to provide me that
17 information. It's their decision.

18 Q. But some Grupo PH members did provide you
19 with information on the amount of their Stanford
20 investments?

21 A. Maybe. Yes.

22 Q. Now, the second paragraph, still looking at
23 Exhibit 159, says: "Also to cover some expenses that
24 may arise (so far there haven't been any), we are
25 contributing \$50,000, money that is being controlled

1 by" --

2 A. Sorry. Pesos. Colombian pesos. That

3 means --

4 Q. Helpful. Thank you.

5 A. -- \$20, more or less.

6 Q. "We are contributing this amount of money

7 that is being controlled by...and two more people in

8 the group." [As read]

9 Do you see that?

10 A. Yeah.

11 Q. And do members of Grupo PH have to contribute

12 50,000 pesos to join the group?

13 A. It was voluntary. Because this is not

14 business for me. It's voluntary.

15 Q. This paragraph refers to some expenses.

16 What sort of expenses would arise for Grupo

17 PH?

18 A. For instance, at the beginning, we had

19 meetings in my office. It's not my own office. I

20 have friend --

21 THE WITNESS: (Speaking Spanish.)

22 THE INTERPRETER: I have rented it.

23 A. I've rented it. So I spent a long -- at the

24 beginning, a long time at the -- just at the beginning

25 of the process, and that's why. But in general, it

1 was voluntary, first of all. And second, there was
2 no -- I mean, expenses was my time. Sometimes
3 printing things for giving them information. Just
4 that.

5 Q. (BY MR. POLSTER) And about how many investors
6 paid you 50,000 pesos?

7 A. Don't remember.

8 Q. Do you remember about, not exactly?

9 A. No, I do not remember, honestly.

10 Q. The next paragraph, looking back at the
11 exhibit, provides your bank account information.

12 Do you see that?

13 A. Which one? Sorry.

14 Q. The next paragraph, still looking at page
15 9022, provides your bank account information; is that
16 correct?

17 A. Uh-huh.

18 Q. And you suggested that this investor deposit
19 the 50,000 pesos into your bank account; is that
20 right?

21 A. Yes.

22 Q. So did you keep the Grupo PH money also in
23 your -- in your personal bank account?

24 A. No. I mean, people who give me that money
25 there, money was spent for those -- at the beginning

1 expenses. But there is -- that was just once and no
2 one gave me that money.

3 Q. So some members of Grupo PH gave money into
4 your personal bank account?

5 A. Certainly my mom, for example. My brother,
6 Ricardo. A friend of mine who was a Stanford
7 investor.

8 Q. And some members -- some Stanford investors
9 who were not your family members gave money for Grupo
10 PH into your bank account?

11 A. As I said, it's absolutely voluntary, it was.

12 Q. Did you have a system to keep track of which
13 of the money was your personal money and which of the
14 money was from Grupo PH members?

15 THE WITNESS: (Speaking Spanish.)

16 THE INTERPRETER: (Interpreting.)

17 A. No.

18 Q. (BY MR. POLSTER) Do you know if there is any
19 money currently in your bank account that was
20 contributed by Grupo PH members?

21 THE INTERPRETER: Counsel, would you --

22 Q. (BY MR. POLSTER) I'll reask the question.
23 Is there any money currently in your bank
24 account that was contributed by Grupo PH members?

25 A. No.

1 the process going. So I usually have a meeting with
2 Peter Morgenstern, our lawyer, and I provide him
3 information through email. That's all. We do not --
4 we do not have meetings anymore.

5 Q. So Grupo PH is a way that you provide
6 information from your lawyer, Mr. Morgenstern, to
7 members of Grupo PH?

8 A. Yes. Sometimes, yeah.

9 Q. Are there any other ways that you use to
10 provide information from your counsel in this case to
11 other investors?

12 THE INTERPRETER: Could you repeat the
13 question, Counsel?

14 MR. POLSTER: Can you read it back,
15 please.

16 THE REPORTER: "Are there any other ways
17 that you use to provide information from your counsel
18 in this case to other investors?"

19 THE INTERPRETER: (Interpreting.)

20 A. No.

21 (Estefenn Exhibit 162
22 marked/introduced.)

23 Q. (BY MR. POLSTER) Exhibit 162 is another
24 exhibit that we had translated from Spanish into
25 English. I'd like first to look at the attachment on

1 Grupo -- or, excuse me, Exhibit 162. The -- let me
2 step back -- let me step back a second.

3 The -- looking -- let's look at the first page
4 of Exhibit 162. It is an email from the Grupo PH
5 account, and it looks like the date and the "To"
6 fields have been redacted.

7 Do you see that?

8 A. Uh-huh. Yes.

9 Q. And the subject is: "Fwd: Información para
10 mirar cobertura."

11 How's my Spanish?

12 A. Sorry, sir?

13 Q. What is -- here. The -- the subject line in
14 English is "Information to check coverage."

15 A. Where are you?

16 Q. I'm looking on the first page, which is 6378.
17 Are you there?

18 A. (Nods head.)

19 Q. And the subject line of the top email is
20 "Information to check coverage."

21 Do you see that?

22 A. "Information to check coverage," yeah.

23 Q. Now, turning -- there's an attachment to the
24 email which begins on page 6380, and it goes until
25 page 6384.

1 Do you see that attachment?

2 A. Uh-huh.

3 Q. Now, I'd like to first talk about what

4 information is in -- in this attachment.

5 A. What kind of information?

6 Q. Yes. What is the information in the

7 attachment?

8 A. It's name and last name of the investor, a

9 number of trust that they represent, number of people

10 who go to the meetings. There's a column that says

11 "Janet." It's the person who kept that money. "GXA,"

12 that's the person who has another money, that 50,000

13 pesos that they gave us. And last one is

14 observations.

15 Q. So just to go back over, the first column is

16 names of Grupo PH members?

17 A. Yes.

18 Q. And the second column is --

19 A. Number of trusts they represent.

20 Q. And that's the number of Stanford trust

21 accounts that the Grupo PH members represent?

22 A. Sorry? Sorry?

23 Q. Those are trusts being used to purchase

24 Stanford investments?

25 A. That's what they represent.

1 Q. And what does "...Trust present at Meeting,"
2 the third column, signify?

3 A. It's a number -- a number of trust
4 assistants, people who go to -- who was going to -- to
5 meetings.

6 Q. The meeting refers to a Grupo PH meeting?

7 A. Was the meetings we had at -- just at the
8 beginning of the process.

9 Q. So why is sometimes the "# of Trust present
10 at Meeting" column information different than "# of
11 Trust Represented" column information?

12 A. Yeah. For instance, number 19 --

13 Q. Yes.

14 A. -- was -- she represent -- she was just one
15 person who was going to the meetings, but she was
16 representing a trust, just as an example.

17 Q. I see.

18 And Janet is the person who held the 50,000
19 pesos that some Grupo PH members contributed?

20 A. Yeah.

21 Q. Then what is the -- can you explain the GXA
22 column again?

23 A. It's another person, but that is not her
24 name.

25 Q. Those initials stand for a person?

1 Q. -- the last phrase says: "...since I know
2 you can identify who your clients were."

3 Do you see that language on the top email?

4 A. Sorry.

5 MR. POLSTER: Let's change the tape and
6 we can reask. We have to change the video.

7 Go off the record.

8 MR. MORGENSTERN: We need to take a
9 break.

10 THE VIDEOGRAPHER: We're off the record
11 at 10:40.

12 (Break.)

13 THE VIDEOGRAPHER: We're back on the
14 record at 10:53.

15 Q. (BY MR. POLSTER) So, looking back at Exhibit
16 162, Mr. Estefenn.

17 A. Okay.

18 Q. We were looking at the top email on page

19 6378, which the last clause says in English:

20 "...since I know you can identify who your clients
21 were."

22 Do you see that language?

23 A. Yes. Yeah, I see. Yes, I see.

24 Q. And does that refresh your recollection that
25 you sent this email on page 6378?

1 A. Yes. Reading that, I remember that.

2 Q. And did you send the email to Ms. Herr?

3 A. Yes.

4 Q. And attached to the top email on page 6378 is
5 the group list information that we looked at in the
6 attachment; is that correct?

7 A. It's a list of the group.

8 Q. And why did you provide that information to
9 Ms. Herr?

10 A. Because she knew who was her clients.

11 Q. So some of the people listed on the
12 attachment were Ms. Herr's clients and some were not
13 Ms. Herr's clients?

14 A. Maybe.

15 Q. And you wanted Ms. Herr to identify which
16 were her clients?

17 A. It was another information but not necessary,
18 really.

19 Q. Why did you provide that information to
20 Ms. Herr?

21 A. I have no reason. I mean.... Yeah, there is
22 no reason, really. Maybe just to identify who was her
23 clients.

24 Q. But the members of Grupo PH knew who their
25 financial advisors were; right?

1 A. Certainly.

2 Q. So why did you need Ms. Herr to identify her
3 clients?

4 A. No, I didn't, really. I just sent her the
5 information from the people who was part of the group.
6 Just that -- just -- just -- just to say her who was a
7 member of the group. Just that. There is no specific
8 reason.

9 Q. So you just wanted to keep Ms. Herr informed
10 on the members of the Grupo PH?

11 A. Maybe that's why. Yeah.

12 Q. And other than this email we're looking at on
13 page 6378, do you recall any other information you
14 provided to Ms. Herr regarding the Grupo PH members?

15 THE INTERPRETER: (Interpreting.)

16 A. I do not remember, really.

17 Q. (BY MR. POLSTER) Do you remember -- did you
18 provide -- I'll reask the question.

19 When is the last time you've had a
20 communication with Ms. Herr?

21 A. April last year.

22 Q. And that's April 2014?

23 A. Yes.

24 Q. And what was that communication in April 2014
25 about?

1 confidential.

2 Do you see that?

3 A. Yes. That's what it says.

4 Q. And do you have an understanding as to why
5 the information was confidential?

6 A. No idea.

7 Q. In addition to this email, have you received
8 other communications at your Grupo PH address that the
9 sender tells you are confidential information?

10 A. About this topic?

11 Q. Sure. About this topic.

12 A. No, I -- this, I don't remember to have
13 specific -- more information about.

14 Q. And how about other topics more generally?

15 A. Maybe, yeah. If it's general, maybe.

16 Q. So some confidential information concerns
17 investors' trusts, which we discussed earlier; right?

18 A. Yeah.

19 Q. Is there any other types of confidential
20 information that you receive at your -- that you
21 received emails from, from investors?

22 A. No. Not really.

23 Q. You can set that one aside.

24 Are you familiar with a group action pending

25 in Colombia court against Stanford Bank entity?

1 A. No.

2 (Estefenn Exhibit 169

3 marked/introduced.)

4 Q. (BY MR. POLSTER) This is Exhibit 169, which
5 is stamped from page 408 to 412. Also has a Spanish
6 language document followed by an English translation.

7 Please take a minute to look over -- look over
8 this Exhibit 169.

9 A. Uh-huh. This is recently.

10 Q. Yes. The first email on page 408 is dated
11 June 30, 2015, and it's from Annette Escobar to some
12 redacted names and your email address; right?

13 A. Yup.

14 Q. And who is Annette Escobar?

15 A. I've understood that she's a lawyer that
16 works with the liquidators, Grant Thornton. She lives
17 in Miami, I think.

18 Q. And what is the purpose of this communication
19 between you and Ms. Escobar in Exhibit 169?

20 A. To solve some questions that we have for a
21 document they sent us in order to sign it. Just
22 questions about it. Just to solve that.

23 Q. Please turn to page 410 of this same exhibit,
24 169. And there's an email in the middle of the page
25 dated June 16, 2015, from redacted to Grupo PH.

1 Do you see that?

2 A. Uh-huh. Yeah.

3 Q. And it begins: "For your information and
4 review of these documents, which will be those that
5 will have to be signed and returned to an email
6 address that they will be sending" -- excuse me.

7 MR. POLSTER: There's something in my
8 eye. Let's go off the record for a second.

9 THE VIDEOGRAPHER: We're off the record
10 at 12:33.

11 (Off the record.)

12 THE VIDEOGRAPHER: We're back on the
13 record at 12:36.

14 Q. (BY MR. POLSTER) So looking back at
15 page 410 --

16 A. Uh-huh.

17 Q. -- have you had a chance to read this email
18 over that begins "Salim"?

19 A. Yes.

20 Q. And the email refers to a collective claim in
21 Colombia. I'm looking at the last phrase in the first
22 paragraph.

23 Do you see that phrase?

24 A. Yes.

25 Q. And do you know what the collective claim in

1 Colombia is?

2 A. Yes. In Colombia?

3 Q. In Colombia.

4 A. No. The liquidators approved to the first
5 payment, which is 1 percent. But because in Colombia
6 we have a suit against Stanford, in theory, we cannot
7 get that money back. So that -- that is
8 the -- (speaking Spanish.)

9 (Witness in English) That is the money that
10 they should give us, that 1 percent. That is the
11 topic. Yeah.

12 Q. And so the liquidators took the position that
13 they weren't going to make the payment to Colombian
14 investors because of a Colombian claim that's pending
15 against Stanford in Colombia?

16 A. Correct. There is a claim in Colombia, so in
17 theory, Colombian investor cannot receive that
18 payment.

19 Q. And are you a party to the Colombian claim
20 against Stanford in Colombia?

21 A. No.

22 Q. Are you a member of the affected group for
23 the Colombian claim against Stanford?

24 A. No.

25 MR. MORGENSTERN: Objection.

1 THE WITNESS: Same question.

2 MR. MORGENSTERN: Calls for a legal
3 conclusion. Come on.

4 Q. (BY MR. POLSTER) If the claimants in the
5 Colombian claim are successful, do you have an
6 understanding as to whether or not you would receive
7 payment in that lawsuit?

8 A. In theory, even though I'm not part of the
9 group, in theory, that happens. In theory. But, I
10 mean, I'm not part of the group.

11 Q. How did you first learn about the Colombian
12 lawsuit?

13 A. How? Sorry?

14 Q. How did you first learn about the Colombian
15 lawsuit?

16 A. Through Annette. She send us the
17 information.

18 Q. And did you have an opportunity -- did you
19 have an opportunity to join the group in the Colombian
20 action?

21 A. No.

22 Q. Did you have an opportunity to -- to -- let
23 me reask the question.

24 Did the Colombian action -- do you know how
25 the -- I'll reask.

1 Do you know how the group of claimants in the
2 Colombian action is defined?

3 A. No.

4 Q. Do you believe that you have the potential to
5 get money from a Colombian action even -- even though
6 you purchased your certificates in Florida?

7 A. I don't know, really, if we have the option.

8 Q. Let's actually -- let's go back to that
9 exhibit for one second. Back to Exhibit 169.

10 Would you look at page 409. And there's an
11 email on that page from Grupo PH to Annette Escobar
12 dated June 25, 2015.

13 Do you see that?

14 A. Yes.

15 Q. And take a minute to look over the email, if
16 you haven't had a chance yet. My question is going to
17 be first about Question Number 4 on the email.

18 Are you there?

19 A. Uh-huh.

20 Q. And it says: "Did the victims who are part
21 of the class action group waive and/or assign their
22 rights in the liquidation of Antigua?"

23 Do you see that?

24 A. Yes.

25 Q. And that's a question that you asked to

1 Ms. Escobar; right?

2 A. Yes.

3 Q. And why did you ask that question to

4 Ms. Escobar?

5 A. Because that is -- we have no idea if they
6 keep the rights to Antigua, because, in theory, that
7 process is for the litigation -- the final suits are
8 going to be part of the litigation process. So we
9 have no idea if those present keep their rights to
10 Antigua. We have no idea.

11 Q. And when you wrote, "Did the victims who are
12 part of the class action group," do you consider
13 yourself one of the victims, part of the class action
14 group?

15 A. The victims, being a part of the group, the
16 victims, yes.

17 Q. Now, please look at Question 9, which says:
18 "Will the judge have the scenario of a group of
19 Colombian citizens (the class action) and Mr. Wide
20 representing another group of Colombians, who invested
21 in the U.S.A. and we assigned our rights, fighting for
22 the" asset -- "assets, who will guarantee us absolute
23 confidentiality?"

24 Do you see that question?

25 What is the confidentiality you were

EXHIBIT 98

UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF TEXAS

DALLAS DIVISION

Case No. 3:09-CV-02384-N

-----x

PEGGY ROIF ROTSTAIN, et al, on behalf
of themselves and all others similarly
situated,

Plaintiffs,

and

THE OFFICIAL STANFORD INVESTORS

COMMITTEE,

Plaintiff-Intervenor.

-against-

TRUSTMARK NATIONAL BANK, HSBC BANK PLC,

The TORONTO-DOMINION BANK, INDEPENDENT

BANK F/K/A BANK of HOUSTON, SG PRIVATE

BANKING, (SUISSE) S.A. and BLAISE

FRIEDLI,

Defendants.

-----x

DEPOSITION UNDER ORAL EXAMINATION OF:

VAUGHAN BLACK

September 14, 2015

1 TRANSCRIPT of the deposition of VAUGHAN
2 BLACK, called for Oral Examination in the
3 above-entitled matter, said deposition being
4 taken pursuant to Federal Court Rules, by and
5 before Roberta Caiola, a Certified Shorthand
6 Reporter and Notary Public of the State of New
7 York, at the office of Simpson Thacher &
8 Bartlett, LLP, 425 Lexington Avenue, New York,
9 New York 10017, on Monday, September 14, 2016,
10 at 9:46 a.m.

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24

25

1 A P P E A R A N C E S:

2

3 FISHMAN HAYGOOD

4 201 St. Charles Avenue

5 Suite 4600

6 New Orleans, Louisiana 70170

7 BY: JIM SWANSON, ESQ.

8 BY: BENJAMIN D. REICHARD, ESQ.

9 Attorneys for Class Plaintiff

10

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12 101 Park Avenue

13 New York, New York 10178

14 BY: STEPHANIE GAMIZ, ESQ.

15 Attorney for the Defendant, Blaise Friedli

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17 SKADDEN, ARPS, SLATE, MEAGHER & FLOM, LLP

18 4 Times Square

19 New York, New York 10036

20 BY: JULIE COHEN, ESQ.

21 Attorneys for the Defendant

22

23

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1 A P P E A R A N C E S: (Continued):

2

3 HAYNIE RAKE REPASS & KLIMKO, P.C.

4 14643 Dallas Parkway, Suite 550

5 Dallas, Texas 75254

6 BY: BRAD REPASS, ESQ.

7 Attorneys for Independent Bank f/k/a

8 Bank of Houston

9 (Present Telephonically)

10

11 LOCKE LORD, LLP

12 2200 Ross Avenue, Suite 2200

13 Dallas, Texas 75201

14 (214) 740-8000

15 BY: TAYLOR BRINKMAN, ESQ.

16 Attorneys for HSBC Bank

17 (Present Telephonically)

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1 A P P E A R A N C E S: (Continued):

2

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5 Houston, Texas 77002

6 (713) 650-8805

7 BY: ASHLEY KLEBER, ESQ.

8 Attorneys for Trustmark National Bank

9 (Present telephonically)

10

11 SIMPSON THACHER & BARTLETT, LLP

12 425 Lexington Avenue

13 New York, New York 10017

14 BY: LYNN NEUNER, ESQ.

15 Attorneys for Toronto-Dominion Bank

16

17 ALSO PRESENT:

18 JUNIOR SIRIVAR, ESQ.

19 McCarthy Tetrault LLP

20 (Canadian Counsel, TD Bank)

21 JAMES SOTO, Videographer

22

23

24

25

1 VAUGHAN BLACK

2 processing proofs of claim?

3 A. I understand.

4 Q. And do you understand there to be a
5 separate case, which is the case in which you
6 submitted this declaration, which is the Peggy
7 Rotstain versus Trustmark National Bank, et al.?

8 A. Yes.

9 Q. I'm going to ask you to put aside
10 the pertinence of the question and just answer
11 the actual question which is, would a Canadian
12 Court deem this Proof of Claim Form with its
13 consent to jurisdiction in the receivership case
14 as a consent to jurisdiction in the Peggy
15 Rotstain verse versus Trustmark National Bank
16 case, which we've been calling the Dallas class
17 action?

18 A. I believe it would not. I agree
19 with Janet Walker on that point.

20 Q. Okay. Going back to your
21 declaration, and we were in paragraph 14. We
22 were discussing what a future notice in the
23 Dallas class action would have to say in order
24 for it to support enforcement of a Dallas class
25 action judgment in Canada.

1 VAUGHAN BLACK

2 been decided in Canada there would be in effect
3 a res judicata matter, and it wouldn't be given
4 any greater effect than it decided.

5 Q. Right. And earlier we were talking
6 about the converse situation which was a
7 first-in-time U.S. case. Here the scenario is a
8 first-in-time Canadian case?

9 A. Right.

10 Q. And your view is that if there is
11 in existence a Canadian money judgment, a
12 second-in-time U.S. judgment for money could
13 possibly be refused recognition in Canada,
14 right?

15 A. Yes, and the reason for that being
16 that the plaintiffs, to the extent there is
17 overlap, that might be a factual matter to
18 determine on the fact of the development, the
19 plaintiffs might already have been fully
20 compensated in Canada; or at least in Canada the
21 creditors of SIB Bank might have fully recovered
22 and be made whole.

23 All of this is against the
24 background of Canadian courts, as I hope U.S.
25 courts would, is going to be on guard against

1 VAUGHAN BLACK

2 double recovery.

3 Q. So taking this principle and
4 playing it out in a potential fact scenario in
5 the future, suppose if you would that the
6 two cases, the joint liquidators one in Ontario
7 and the Texas class action in Dallas, are
8 proceeding along and both cases have come to a
9 trial.

10 You stated earlier that that is
11 quite conceivable under existing Canadian
12 precedent that there are simultaneous
13 proceedings going on in two different
14 jurisdictions, Canada and the U.S., right?

15 A. Right. If I can just add, it's
16 conceivable in Canada, even if there are
17 identities of parties between which there isn't
18 in this circumstance.

19 Q. Now, in your view what would happen
20 if the joint liquidators' case is fully tried
21 and submitted to the Canadian jurist who is
22 taking let's say six months to make a decision,
23 and in the decision-making time period the Texas
24 jury comes to a verdict and awards \$4 billion in
25 damages, okay?

EXHIBIT 99

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS - DALLAS DIVISION

-----x

PEGGY ROIF ROTSTAIN, et al., on
behalf of themselves and all others
similarly situated

Plaintiffs,

-and-

THE OFFICIAL STANFORD INVESTORS
COMMITTEE,

Plaintiff-Intervenor,

-against-

TRUSTMARK NATIONAL BANK, HSBC BANK
PLLC, THE TORONTO-DOMINION BANK,
INDEPENDENT BANK f/k/a BANK OF
HOUSTON, SG PRIVATE BANKING (SUISSE)
S.A., and BLAISE FRIEDLI,

Defendants.

-----x

September 15, 2015

9:50 a.m.

Videotaped Deposition of ANGEL R. OQUENDO,
taken by Defendants, pursuant to notice, at the
offices of Simpson Thacher & Bartlett LLP, 425
Lexington Avenue, New York, New York, before
SUZANNE PASTOR, a Shorthand Reporter and Notary
Public within and for the State of New York.

1 ANGEL R. OQUENDO

2 involved.

3 Q. Are you referring to a Carol Van
4 Tassel declaration?

5 A. Yes.

6 Q. So you reviewed that declaration?

7 A. I read it at some point, yes.

8 Q. So do you recall the major Latin
9 American countries as represented by number of
10 claimants?

11 A. Yes. I mean, I didn't do hard
12 numbers on this, but I think that the countries
13 that I discussed with counsel were essentially
14 the countries that, if I'm remembering this
15 correctly, that Van Tassel refers to as the
16 countries most represented among the class.

17 Q. Did you discuss El Salvador as a
18 country on which you would consider opining?

19 A. Maybe at some point we talked about
20 El Salvador as a possible country to discuss.
21 And now I can't remember that well. I believe
22 that one of the expert opinions for the
23 defendants, maybe Gidi's opinion talks about El
24 Salvador. So at one point I asked whether I
25 should include El Salvador. This was I think

1 ANGEL R. OQUENDO

2 maybe after I submitted the report, or maybe
3 while I was drafting it. Probably while I was
4 drafting it. And I was told it was not
5 necessary.

6 Q. So plaintiffs told you --
7 plaintiffs' counsel told you you didn't need to
8 include El Salvador in your opinion?

9 A. Didn't need to include El Salvador,
10 yes, that's correct.

11 Q. Were you aware from your
12 recollection that Ecuador and El Salvador has
13 close to the same number of claimants in this
14 case?

15 A. No, I wasn't aware of that. I'm
16 not aware of that, no.

17 Q. What's your general understanding
18 of the geographic dispersion of claimants in
19 this case?

20 A. My understanding is that when we're
21 talking about foreign absentees, the bulk of
22 them come from Mexico. My understanding is that
23 there's a big number from Venezuela also. And
24 then all of these other countries are
25 represented but in lesser numbers than Mexico

1 ANGEL R. OQUENDO

2 general civil actions in Latin America.

3 Q. So to your knowledge, is common law
4 civil conspiracy a recognized claim in, say,
5 Mexico?

6 A. As I said, not specifically. But
7 the code says that any time that harm is caused
8 through the actions of the defendant, the
9 plaintiff can bring an action, general causes of
10 action. That's the kind of case that could be
11 brought in Latin America.

12 Q. What code are you referring to?

13 A. I'm referring to, for instance, in
14 this case the code -- the civil code for the
15 District of Mexico for instance. But I'm
16 talking generally. So you could look at the
17 codes of any of the other countries, and they
18 have this general statement.

19 Q. You're just saying codes of
20 countries generally provide for when harm is
21 caused, someone can bring an action?

22 A. Yes. I'm saying in Latin America
23 and in the civil law tradition, usually you have
24 a civil code and the civil code contains general
25 provisions on civil actions. One of the

1 ANGEL R. OQUENDO

2 provisions that you find in these codes is a
3 provision that says if there is an injury that
4 causes harm, then there is a cause of action.

5 Q. Right. It might be helpful to get
6 a little bit more specific than just codes that
7 permit actions based on harm. To your
8 knowledge, do you know if conversion is a
9 recognized claim in any of these Latin American
10 countries?

11 A. I don't know. You mean the six
12 countries that we're talking about here, right?

13 Q. Yes.

14 A. I don't know.

15 Q. Why don't we take a look at chapter
16 8 of your textbook.

17 (Oquendo Exhibit 13 for
18 identification, Book Excerpt, Chapter 8, Latin
19 American Law)

20 Q. So we're marking this as Oquendo
21 13. And this is chapter 8 of your textbook, is
22 that right?

23 A. Yes.

24 Q. And if you turn to page 536.

25 A. I'm right there.

1 ANGEL R. OQUENDO

2 rather than under jurisdiction. So that's why I
3 refer then to the discussion later.

4 Q. So --

5 A. In the next section.

6 Q. So you just disagree with Justice
7 Hoyos in this instance about what Panamanian
8 court would do.

9 A. Yes. Would most probably tend to
10 do.

11 Q. Now, on page 40 of your report you
12 refer to the proof of claim form.

13 A. Mm-hmm.

14 Q. Do you recall this part of the
15 discussion?

16 A. Yes, I do.

17 Q. I just want to get a better sense
18 on the record of your views on this. So at the
19 outset you say you agree with Professor Gidi,
20 Siqueiros and Justice Hoyos that return of the
21 proof of claim form by claimants does not amount
22 to submission to the jurisdiction of this
23 action.

24 A. Yes.

25 Q. Right?

1 ANGEL R. OQUENDO

2 insert additional language.

3 A. Yes.

4 Q. And on page 1 of the order, the
5 additional language the court has inserted is
6 after "for all purposes relating to this claim."

7 A. Yes.

8 Q. And you see that's in italics,
9 right?

10 A. I see that's in italics, yes.

11 Q. What do you understand "this claim"
12 to refer to in the context of this jurisdiction
13 paragraph?

14 A. This is what is referred to in the
15 report. And that is that the parties do not
16 acknowledge the authority of the tribunal
17 vis-à-vis this class action.

18 Q. So you agree with the experts that
19 you cite that the proof of claim form is limited
20 to the SEC receivership action.

21 A. Yes, as I say in the report.

22 Q. You also say you think it's -- you
23 just think it's overdrawn I believe is your
24 word.

25 A. Yes.

EXHIBIT 100

SIMPSON THACHER & BARTLETT LLP

425 LEXINGTON AVENUE
NEW YORK, NY 10017-3954
(212) 455-2000

FACSIMILE (212) 455-2502

DIRECT DIAL NUMBER
(212) 455-3525

E-MAIL ADDRESS
pkazanoff@stblaw.com

BY E-MAIL

September 16, 2015

Re: *Rotstain, et al. v. Trustmark National Bank, et al.*
Discovery Requests

James R. Swanson, Esq.
Benjamin D. Reichard, Esq.
Fishman Haygood, L.L.P.
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Peter D. Morgenstern, Esq.
Butzel Long, P.C.
230 Park Avenue, Suite 850
New York, NY 10169

Scott M. Berman, Esq.
Friedman Kaplan Seiler & Adelman, L.L.P.
7 Times Square, 27th Floor
New York, NY 10036

Dear Counsel:

We write to follow up on certain outstanding class certification discovery issues, specifically (i) our August 21, 2015 letter requesting materials identified in the Declaration of J. Lester Alexander, III ("August 21 Letter"), (ii) Plaintiffs' responses to Defendants' First Requests For Production To Former Class Plaintiffs, dated July 2, 2015 (the "Requests to Former Class Plaintiffs"), and (iii) discovery related to Diana Suarez, Ruth Alfille de Penhos, and Salim Estefenn Uribe.

First, in our August 21 Letter, we requested production of certain documents and information identified in the Declaration of J. Lester Alexander, III, by August 26, 2015. To date, Plaintiffs have not provided any response to this Letter. We again ask that Plaintiffs produce the materials requested in the August 21 Letter on or before September 18, 2015, so that Defendants will have a reasonable opportunity to review them in advance of Mr. Alexander's deposition scheduled for September 22, 2015.

SIMPSON THACHER & BARTLETT LLP

James R. Swanson, Esq.
Peter D. Morgenstern, Esq.
Scott M. Berman, Esq.

-2-

September 16, 2015

Second, as set forth in our September 4, 2015 correspondence, Defendants believe that Plaintiffs should provide formal responses and objections to the Requests to Former Class Plaintiffs, in light of the current status of meet and confer discussions on those Requests. Given the deadlines for class certification briefing, we ask that these responses be provided by September 23, 2015.

Third, in connection with Diana Suarez, Ruth Alfille de Penhos, and Salim Estefenn Uribe, Defendants request that Plaintiffs produce the following documents by September 25, 2015.

Diana Suarez

1. As requested in our letter of July 16, 2015 (the "July 16 Letter") (Item 5) and discussed during Ms. Suarez's July 1 deposition, please conduct a search for and produce any letters sent by Ms. Suarez to the Securities and Exchange Commission regarding its application to compel the liquidation of Stanford Group Company.¹
2. As requested in our July 16 Letter (Item 7) and discussed during Ms. Suarez's July 1 and August 28 depositions, please produce the account statements for the Bank of America account to which Ms. Suarez maintains online access (account no. **REDACTED**) reflecting Stanford Financial Group interest payments to Ms. Suarez.²
3. Ms. Suarez testified during her August 28 deposition that she executed a power of attorney giving her son, Gabriel Suarez, authorization to act on her behalf, including with respect to her Stanford investments and this litigation.³ She further testified that this power of attorney is still in effect.⁴ Please produce a copy of that document.
4. Please produce information regarding the identity of the accountants who originally assisted Ms. Suarez with her tax returns for the year 2007, before Ms. Suarez retained H&R Block to assist her with her taxes, and who purportedly did not declare interest payments that Ms. Suarez received from Stanford on such returns.⁵

¹ See Suarez July 1, 2015 Dep. Tr. at 259:1-260:5. Per your request at Ms. Suarez's August 28 deposition, a copy of the July 16 Letter has been attached for your reference.

² See *id.* at 130:3-14; Suarez Aug. 28, 2015 Dep. Tr. at 26:1-27:25.

³ Suarez Aug. 28, 2015 Dep. Tr. at 112:18-113:16, 159:13-24.

⁴ *Id.* at 113:17-19, 159:13-24.

⁵ See *id.* at 60:11-25, 61:13-62:7, 63:6-17, 151:20-152:15, 152:21-25.

SIMPSON THACHER & BARTLETT LLP

James R. Swanson, Esq.
Peter D. Morgenstern, Esq.
Scott M. Berman, Esq.

-3-

September 16, 2015

Ruth Alfille de Penhos

5. At her deposition on June 10, 2015, Ms. Penhos testified that her family only made claims to the U.S. Receiver and the Antiguan Joint Liquidators.⁶ In her August 5, 2015 responses to Defendants' First Set of Interrogatories to Current and Former Class Plaintiffs, however, Ms. Penhos identified a NAFTA Arbitration Claim that relates to her SIBL CDs.⁷ Please produce all documents relating to the NAFTA Arbitration Claim that Ms. Penhos filed in connection with her SIBL CDs.

Salim Estefenn Uribe

6. Mr. Estefenn testified during his deposition on September 10, 2015 that he has sent his former Stanford financial advisor, Patricia Herr, email communications over the last six years.⁸ [REDACTED]

[REDACTED]⁹ There is no basis for these redactions. Please produce all communications between Mr. Estefenn and Ms. Herr, with Ms. Herr's name and email address unredacted.

7. In the document BATES-stamped Uribe 006378 through Uribe 0006384 (Uribe Deposition Exhibit 162), [REDACTED]

[REDACTED] Please produce these pages in unredacted form.

* * *

We reserve all rights in connection with class certification discovery, including in connection with the above-listed requests. If you would like to discuss any of the requests, we are available to do so.

Sincerely,

Peter E. Kazanoff /kss

Peter E. Kazanoff

⁶ See Penhos Dep. Tr. at 181:20-182:17.

⁷ See Plaintiff Penhos's Responses to Defendants' First Set of Interrogatories, served on August 5, 2015, at Answer to Interrogatory No. 7.

⁸ See Estefenn Sept. 10, 2015 Dep. Tr. at 43:4-16 (rough).

⁹ See, e.g., Estefenn Dep. Exhibits 162-63; Estefenn Sept. 10, 2015 Dep. Tr. at 40:5-18, 47:21-48:10 (rough).

SIMPSON THACHER & BARTLETT LLP

James R. Swanson, Esq.
Peter D. Morgenstern, Esq.
Scott M. Berman, Esq.

-4-

September 16, 2015

Enclosure

cc: Rodney Acker, Esq.
Taylor F. Brinkman, Esq.
Roger B. Cowie, Esq.
Jeffrey G. Hamilton, Esq.
Wallis M. Hampton, Esq.
Brian A. Herman, Esq.
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James V. Leito IV, Esq.
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Brad G. Repass, Esq.
Ellen Sessions, Esq.
Ryan C. Wooten, Esq.

EXHIBIT 101

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

PEGGY ROIF ROTSTAIN,)
et al., on behalf of)
themselves)

and)

all others similarly)
situated, Plaintiffs,)
and THE OFFICIAL)
STANFORD INVESTORS)
COMMITTEE,)

Plaintiff-Intervenor.)

VS.)

TRUSTMARK NATIONAL)
BANK, HSBC BANK PLC,)
the TORONTO-DOMINION)
BANK, INDEPENDENT BANK)
F/K/A BANK OF HOUSTON,)
SG PRIVATE BANKING,)
(SUISSE) S.A. and)
BLAISE FRIEDLI,)

Defendants.)

C.A. 3:09-CV-02384-N

ORAL AND VIDEOTAPED DEPOSITION OF
J. LESTER ALEXANDER III, CPA
SEPTEMBER 22, 2015

1 A P P E A R A N C E S

2

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9 Mr. Ryan C. Wooten - via phone
713.890.5725
10 rwooten@morganlewis.com

11

12 VIDEOGRAPHER:

13 Jerry Garza

14

ALSO PRESENT:

15

Mr. Jason E. Beesinger - Skadden (Houston)

16

17

18

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1	EXHIBIT INDEX	
2	ORAL AND VIDEOTAPED DEPOSITION OF	
3	J. LESTER ALEXANDER III, CPA, SEPTEMBER 22, 2015	
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13		of Law CLE registration form
14		and attachment
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17		Receivership form

• _____ •

1 THE VIDEOGRAPHER: On the record at
2 10:02 a.m.

3 (Alexander Exhibit 3 marked/introduced.)

4 Q. (BY MR. KAZANOFF) Mr. Alexander, we've
5 introduced as Alexander 3, a report issued by you and
6 the Accounting, Economics & Appraisal Group in the
7 matter I believe you previously referenced, the
8 American Bank matter?

9 A. Sure. Yes, that's what this is.

10 Q. And the date of this report is October 15,
11 2010?

12 A. Correct.

13 Q. And is this a report that you issued in
14 connection with the Pearlman litigation that you had
15 previously testified about?

16 A. Let me flip it first --

17 Q. Sure.

18 A. -- just to make sure it's complete.

19 It is, except it's got appended to it
20 deposition testimony. So it is my report, but also
21 attached to it is something labeled "Exhibit B," which
22 appears to be excerpts of the deposition.

23 Q. Understood.

24 Was that -- was that an appendix to your
25 report?

1 A. Not -- not as I filed it. I don't know why
2 that is attached.

3 Q. Okay. And I'll note that this document, at
4 the top, there's a filing from the electronic filing
5 system for the court dated 10-24-2011.

6 Let me ask you, if you could, to turn to
7 paragraph 6, which is on page 4. And do you see the
8 last sentence where it says: "Internal controls,
9 internal audits, external audits, board member
10 oversight, audit committee oversight, banker
11 underwriting, bank monitoring, state
12 regulation...federal regulation do not generally
13 detect sophisticated frauds like Pearlman's fraud
14 schemes"?

15 A. I do see that.

16 Q. Do you continue to agree with that statement?

17 A. In general, that's true.

18 Q. Let me ask you to turn to -- look one further
19 down in the report, paragraph 7.

20 Do you see the last sentence of the
21 paragraph 7 before it gets to 7.1: "These studies
22 found that the larger the fraud, the less likely they
23 are to be detected"; and then the follow-on sentence,
24 "Internal controls, internal audit and external audit
25 were all inadequate at addressing such frauds"?

1 A. I see that.

2 Q. Do you continue to agree with that statement?

3 A. I think historically, in that time frame,
4 that is true. I think with changes that occurred more
5 recently that improvement has occurred.

6 But with respect to that time frame, I think
7 that's generally true.

8 Q. In the --

9 A. In general. Not specifically. Keeping in
10 mind that it's very fact-specific,
11 facts-and-circumstances specific. But from a general
12 premise, that's true.

13 Q. And the Stanford Ponzi scheme took place
14 during that period; correct?

15 A. That is correct.

16 Q. The Stanford Ponzi scheme was over before the
17 end of that period?

18 A. Yes.

19 Q. And have you done any work to determine
20 whether the Stanford Ponzi scheme would be part of the
21 general rule that you've just described?

22 A. I haven't done any work, but just the facts
23 of this case and what I understand is being pled, it
24 wouldn't -- this internal control issue wouldn't seem
25 to apply.

1 Q. What do you mean it "wouldn't seem to apply"?
2 Why do you say that?

3 A. Well, what I understand is being pled is the
4 failure to disclose to the buyers of the security that
5 they were purchasing securities in a Ponzi scheme; and
6 that the banks, with their banking activities, had
7 information sufficient to be found liable for aiding
8 and abetting.

9 Q. And is the source of your understanding the
10 complaint in this action?

11 A. Yeah, or an assumption.

12 Q. It's an assumption. You haven't done any
13 work?

14 A. No.

15 Q. You're not giving any opinions about that?

16 A. I am not.

17 Q. Okay. Do you have any information about that
18 other than what you've received from plaintiffs'
19 counsel?

20 A. I'm not sure I understand your question.

21 Q. Let me rephrase, then.

22 The assumption that you just described, is
23 the source of the information for that assumption
24 plaintiffs' counsel?

25 A. Well, I -- it -- it is plaintiffs' counsel,

1 but it's an assumption that's also supplemented by
2 reading pleadings in the case and looking at
3 information and evidence in the case; but, yes, it is
4 an assumption.

5 Q. What evidence in the case?

6 A. The -- to the extent -- I'm trying to
7 remember what -- what I have and haven't seen. Let
8 me -- let's work, first, primarily off of accepting
9 what's been either pled or said in motions about what
10 happened in both this case and other cases in the
11 Stanford Ponzi scheme.

12 Q. Okay. So let me try to ask one clear
13 question.

14 Other than pleadings, conversations with
15 counsel, any other sources of information about your
16 assumption?

17 A. No.

18 Q. Let me ask you to turn to paragraph 14. "As
19 discussed above" -- I'm sorry. I want to turn your
20 attention to the beginning of paragraph 14.

21 "As discussed above, risk-management
22 activities, including those performed by banks do not
23 generally detect frauds like Pearlman's schemes. None
24 of the fraud schemes studied were uncovered by the
25 risk management activities performed by a bank. This

1 is because customary bank underwriting and monitoring
2 practices are not designed to detect activities as
3 sophisticated as the schemes employed by Pearlman,
4 Madoff, Ebbers, Lay, and the others discussed above."

5 Do you continue to agree with that statement?

6 A. From the context of bank fraud, which is what
7 the issue was here, I agree with it. I think, again,
8 it's very facts-and-circumstances specific.

9 Q. Did you discuss the Stanford scheme at all in
10 this report, do you recall?

11 A. I don't remember.

12 Q. Why don't you turn to paragraph 11, if you
13 could. Do you see the reference in the second-to-last
14 sentence to the SEC charging Allen Stanford?

15 A. I do.

16 Q. Thank you for your patience. I assure you
17 this speeds me up rather than slows me down. You can
18 put that to one side.

19 I think you've previously testified about a
20 team that's assisted you in connection with your work
21 in this matter. Is the name of the firm Accounting,
22 Economics & Appraisal Group, LLC?

23 A. That's my firm, yes.

24 Q. And you founded that firm?

25 A. I did.

1 computer forensic experts. I had a partner for a
2 number of years that did that for a living. And it's
3 been my experience that that is a very fruitful way to
4 start, and likely might be the only thing you have to
5 do.

6 Q. But FTI said to you that one place they would
7 look to plug this information is -- plug this gap is
8 information from the claimants themselves; correct?

9 A. They said to me that they have looked at
10 their records. They have not looked at the backup
11 tapes. They said to me that they believed that the
12 backup tapes -- if they could be reloaded, they
13 were -- they did not have the experience to give me
14 any comfort there. That it would be the first place
15 they would look, like me. And then they talked about
16 their warehouse which they believed would likely have
17 the information that they needed.

18 They did comment that their experience, which
19 was on appeals, was more from the claimants' point of
20 view.

21 Q. And the accuracy of that information would
22 depend on the accuracy of the information provided by
23 the individual claimants; correct?

24 A. Well, the answer to that would depend on what
25 the claimants submitted.

1 A. Well -- and this may be part of your
2 question -- I was told that the receiver has been able
3 to remediate -- when needed, has been able to
4 remediate the gaps.

5 I was told that the Joint Liquidator, when it
6 was presented the need, has remediated the gaps. And
7 I myself has -- have tested that with Suarez and found
8 that the Joint Liquidator did have sufficient
9 information in that case -- in that situation to
10 remediate the gaps.

11 Q. Okay. So just to make sure we've got this
12 clear on the record. Your opinions on this are based
13 on what you've been told by the receiver about its
14 ability to remediate gaps, what you've been told by
15 the receiver about the JL, Joint Liquidator's ability
16 to remediate gaps?

17 A. What their experience has been with the JL
18 remediated gaps.

19 Q. And the work you did with respect to one
20 investor?

21 A. And my experience coming into this, and my
22 knowledge of the nature of banking -- bank accounting
23 and the tracking of deposits and withdrawals.

24 Q. Haven't --

25 A. Also, you know, clearinghouse, et cetera.

1 it's the page 1 where the number in the lower
2 right-hand corner is 681,286.

3 A. Yes.

4 Q. Do you see line 22 of this spreadsheet, and
5 it says: "This deposit is an initial balance. As
6 such, these funds were deposited either prior to
7 8/31/2003 or between 6/1/2006 and 12/31/2006. For
8 purposes of this analysis, the principal balance is
9 treated as a deposit."

10 Do you understand what that means?

11 A. I do.

12 Q. Can you tell me what it means?

13 A. It's indirectly referring to two gaps in the
14 data.

15 Q. What are those gaps?

16 A. There's a period of time between June 1 of
17 2006 through December 31, 2006, where the source of
18 the receiver's transactional database had a gap in the
19 data itself, according to the -- Mr. Russell, and
20 Mr. Sizemore; so that's one.

21 And then the second relates to when
22 information was transferred from a legacy system to, I
23 believe, DataPro, that occurred in the '03 time frame.
24 And that was not captured, that information was not
25 captured because it was not online at the time the

1 receiver did its data transfer, and it -- to my --
2 based on my interviews, that information is on backup
3 tapes with the Joint Liquidator.

4 Q. And does the receiver have access to that
5 information?

6 A. It's my opinion he does through the
7 cooperation agreement.

8 Q. Did the receiver tell you why they haven't
9 accessed it?

10 A. It's my understanding they made a -- which is
11 done many times in the claims processing, they made a
12 cost benefit analysis and decided to default to the
13 most favorable treatment to the claimant, and that's
14 the assumption that they've documented here.

15 Q. And can you explain what you mean, why the
16 assumption is most favorable to the claimant here?

17 A. Because it treats rollover interest as if it
18 were a deposit. And rollover interest is fictitious
19 and it needs to be identified and eliminated.

20 Q. When you say it's "most favorable to the
21 claimant," does that mean that it states the alleged
22 losses in the maximum possible terms?

23 A. It means it's not a damage number.

24 Q. What do you mean by "it's not a damage
25 number"?

1 A. It's a claim number. It's one of the reasons
2 this calculation is not a damage calculation.

3 Q. And how were you going to do this calculation
4 differently at some point in the future?

5 A. Well, with respect to the '06 time frame,
6 I've been told the data exists to reconstruct the
7 investment activity, which makes complete sense to me
8 because I believe it exists too.

9 With respect to the 2003 prior information,
10 I've been told that the data exists on backup tapes.
11 And the uncertainty of FTI was whether it could
12 be -- they used the word "harvested"; I would use the
13 word "forensically extracted" from the backup tapes.

14 I've had substantial experience in that,
15 doing that, and working with teams doing that. And
16 it's my opinion that, you know, it likely can be --
17 you may not be able to reload the backup tapes, but
18 you can get the information off of it.

19 To the extent it's not usable form, there's
20 substantial records in both Houston and in the custody
21 of the Joint Liquidator that can be used to
22 reconstruct investment activity --

23 Q. Have you had any --

24 A. -- on a class-wide basis.

25 Q. Have you had any conversations with the

1 Joint Liquidator?

2 A. I have not, but it's my understanding counsel
3 has an open dialogue with the Joint Liquidator.

4 Q. Have you been informed that the
5 Joint Liquidator has agreed to provide this
6 information?

7 A. I haven't asked that question, so I haven't
8 been informed that.

9 Q. Did FTI say anything about the Joint
10 Liquidator's willingness to provide this information?

11 A. I don't remember that. I remember them
12 not -- not -- not expecting any -- they were expecting
13 cooperation, and I've also reviewed the Joint
14 Cooperation Agreement, and that seems to be the spirit
15 of the agreement.

16 Q. But you're not expressing an opinion as to
17 what the cooperation agreement provides or doesn't
18 provide; correct?

19 A. No. I'm only -- well, to this extent: To
20 the extent I need -- need to review the agreement to
21 issue a reliable opinion, I am relying on my review,
22 interpretation of that cooperation agreement; but I'm
23 not going to interpret the agreement for the court.

24 Q. Right. You're not going to give a legal
25 opinion on what the agreement --

1 A. No.

2 Q. -- legally provides any of the parties to the
3 agreement; correct?

4 A. Correct.

5 Q. And if I understand correctly, these data
6 gaps that you've identified you expect to be addressed
7 through backup tapes initially?

8 A. Initially.

9 Q. That would be the first place I would go.

10 A. Right.

11 Q. So this is work you haven't done yet?

12 A. Oh, no, no, nor would -- would a reasonable
13 person at this stage of the lawsuit.

14 Q. And FTI hasn't done this work?

15 A. Correct. They, instead, made that
16 conservative assumption to save money.

17 Q. In paragraph 6 of your declaration, you
18 referenced the -- that you were provided sections of
19 the Texas Securities Act relevant to damages case law.

20 A. Which paragraph; 7 or 6? I'm sorry.

21 Q. Paragraph 6.

22 A. 6, yes. I see where that is.

23 Q. Do you see where that is towards the end?

24 A. I do.

25 Q. Did you review those sections?

1 Q. I'm going to change my hypothetical. I'm
2 going to make it a little simpler.

3 Investor A and B are identical; they both
4 claim the theft tax loss.

5 A. Correct.

6 Q. Investor A has enough income to shield, thus
7 that the net benefit of the tax loss is \$1 to him. \$1
8 less in taxes that get paid.

9 Person B makes the same election that you're
10 saying is available to all putative class members, has
11 no income to offset, thus the benefit of the tax loss
12 to Investor B is zero.

13 Now your methodology pays these two
14 individuals the same dollar in my hypothetical.
15 Haven't you left Investor A and Investor B in
16 different spots?

17 A. Well, they have a tax loss, and they can
18 carry it back and they can carry it forward. Should
19 I -- am I now to assume they had no prior income and
20 no future income?

21 Q. Correct.

22 A. So let me make sure I got it.

23 We've got one investor that I would describe
24 as a typical investor who invests in substantial sums
25 in CDs and has income; receives what they thought was

1 taxable income; reports that income and pays tax on
2 it; then they learn they have a loss; they get their
3 recoveries; they offset it against their -- their
4 investment; and they then report a net tax loss; they
5 have income in that year, and they get a tax benefit.

6 The other investor invests, receives
7 income -- do I assume he reported that income for tax
8 purposes?

9 Q. You assume the same reporting for -- by both
10 of those.

11 A. Okay. So when that loss is incurred, they
12 would be able to go back and recoup those taxes on the
13 income they paid.

14 So there's not a situation if they report the
15 taxes and follow the tax -- report the income and
16 follow the tax law where they wouldn't be recouping
17 taxes.

18 But this person, other than that income, had
19 no income and had no income in the future; their tax
20 benefit would be different under that situation, I
21 agree.

22 Q. And with respect to class -- putative class
23 members that don't pay taxes in the United States,
24 you're not expressing an opinion about whether the
25 ability to claim a theft loss is the same in those

1 Q. (BY MR. KAZANOFF) But your -- your view that
2 the -- the -- ability to claim the theft tax loss is
3 common among the U.S. -- is limited to the U.S. class
4 members, because you don't know the ability for -- for
5 the members of the putative class outside the U.S.,
6 whether they have that ability or not?

7 A. Yeah, and I'm not -- I don't think I'm even
8 trying to issue an opinion about the commonality of
9 the ability to do something or not do something for
10 tax purposes.

11 I'm pointing out to you that this right to
12 receive a deduction and obligation to pay taxes, it
13 varies by jurisdiction, yes; but it's the same before
14 or after.

15 I mean, the variance before and the variance
16 after is the same. And it's generally accepted,
17 therefore, that you do not take into account the
18 after-tax effects when computing damages on a
19 class-wide basis or on commercial damages or for net
20 investment losses. There's only one instance that
21 it's generally accepted, and that's in the personal
22 injury area.

23 THE VIDEOGRAPHER: The tape is about to
24 end or has already ended, I'm not too sure.

25 MR. KAZANOFF: We'll take a break.

1 that extent, you could construe it as a legal opinion.

2 But, no, I don't intend to practice law or
3 tell the judge what to rule or how to rule.

4 Q. So I'm going to have to ask it again because
5 I'm looking at the answers, I just don't think we've
6 gotten to the answer.

7 Does the word "economic" have any
8 significance in this sentence, or could I just X it
9 out and your opinion means the same thing?

10 A. I don't know what else to add to all the
11 other answers.

12 Q. No, then let me just --

13 A. I think the answer is don't -- you know, take
14 all my other answers and then don't mark it out.

15 Q. So it has some significance?

16 A. It has the significance that I've testified
17 to, yes.

18 Q. Okay. Your next bullet point is: "The
19 Defendant's expert, Lehn, misunderstands the claims
20 and applicable damages formulas" -- "applicable damage
21 formulas."

22 What does "misunderstand the claims" mean?

23 A. He's trying to change what is being -- or
24 alter what the criteria is under a -- when there's a
25 claim for breach of -- or aiding and abetting. And

1 he's trying to add an extra factor to it, which
2 is -- doesn't make any sense and -- when you look at,
3 you know, how aiding and abetting works, when there is
4 joint and several liability --

5 Q. And this is all based on what you've been
6 told is the law in these areas?

7 A. I was provided the instruction that they
8 are -- that counsel is suing for aiding and abetting,
9 and I was provided the instruction that liability
10 would be joint and several. And with those two
11 instructions, I look at what Lehn is proposing and say
12 this doesn't make any sense.

13 Q. And those are the instructions you got from
14 plaintiffs' counsel?

15 A. I did.

16 Q. So would you agree that your opinion -- this
17 opinion hinges on the accuracy of those instructions?

18 A. It hinges on a finding of aiding and
19 abetting, and the applicability of joint and several
20 liability, you are correct.

21 Q. Right. So the opinion hinges on what counsel
22 has told you about those two factors?

23 A. Said another way: If aiding and abetting or
24 joint and several liability don't apply, that would
25 change my opinion.

1 recovery in the action. Under those circumstances,
2 how are you going to mitigate the impact to that on
3 your class methodology for calculating damages?

4 A. So the claimant is committing fraud?

5 Q. I'm just looking for an answer to my last
6 question.

7 A. But that's -- the premise of your question is
8 the claimant is committing fraud. And I haven't
9 inquired about what the antifraud procedures are; but
10 I have inquired enough to know that there are
11 certifications signed that would prevent that.

12 So they are intentionally hiding the fact
13 that they got a recovery. I don't know the answer.
14 But if despite all best intentions and all the
15 procedures, a claimant were to commit a fraud in such
16 a way that it would not be discovered, it would not be
17 discovered.

18 Q. So let me read my question back to you and
19 see if we can get a -- get an answer, which may be
20 consistent with what you've just said, but it comes
21 with enough else that I'd like to get a clean question
22 and answer.

23 In the situation where the receiver does not
24 know about the other proceeding, the JLs don't know
25 about the other proceeding, you and your team do not

1 know about the other proceeding, and the claimant does
2 not disclose the recovery in that proceeding, whether
3 intentionally or unintentionally as part of the claim
4 process, in that situation, how are you going to
5 impact -- mitigate that impact in your methodology
6 you've proposed for calculating damages?

7 A. So if a claimant receives a recovery and for
8 whatever reason it is not discovered either through
9 the efforts of the Joint Liquidator with all of the
10 arrangements that are in place, with all the agencies
11 where claims are being pursued, nor discovered by the
12 receiver with all that's in place to help assure that
13 the receiver learns about these things, but if for
14 one -- some reason something ultimately slips through
15 the cracks and is not discovered, it would not be
16 discovered.

17 Q. And there wouldn't be any way to mitigate it
18 in your methodology?

19 A. If -- if -- just what your premise is,
20 despite everyone's best efforts, despite having a good
21 methodology, something goes undetected, is your
22 premise.

23 So, of course, if despite everything everyone
24 can do that's reasonable to be done, and it goes
25 undetected, then it would go undetected.

1 A. Yes.

2 Q. Did you use data from a receiver?

3 A. I don't know.

4 Q. Was it a bankruptcy proceeding?

5 A. No. No. It was an insurance proceeding, and
6 I don't know whether the company at the time of the
7 settlement was in receivership or not; it could have
8 been.

9 Q. When was this?

10 A. When I was with PricewaterhouseCoopers. It
11 was a long time ago; or it may have been right after I
12 left. It was a long time ago. I cannot precisely
13 recall.

14 Q. Any other examples?

15 A. No, not in the connection with the
16 certification of a class for the plaintiffs.

17 Q. You previously testified that you were
18 informed by the receiver that there were certain gaps
19 in the data available; correct?

20 A. Correct.

21 Q. Have you determined whether there's any other
22 gaps in the data that you have not been informed by
23 the receiver about?

24 A. Have I determined whether there were gaps in
25 the data that the receiver did not tell me about? I

1 don't know. I haven't made that -- I haven't gone
2 through my mind in my findings in that way. I
3 don't -- I don't think so. I mean, I think I'm aware
4 of all of the gaps in the data.

5 Q. But you haven't reviewed the data yet?

6 A. No. I have not tested the reliability of
7 what I've been told by the receiver's experts; and so
8 to some degree, I am relying on my knowledge of FTI
9 and the quality of that firm.

10 Please tell Neal Hochberg I said that.

11 Q. Turn to page 6, if you could --

12 A. I'm there.

13 Q. -- of Alexander 1.

14 In the second sentence you say: "Lehn's
15 'but-for' world is not part of the TSA damages
16 methodology," and you cite --

17 A. Which paragraph? I'm sorry.

18 Q. Oh, I'm sorry. Paragraph 15.

19 A. Okay.

20 Q. Second sentence.

21 A. Okay. Got it.

22 Q. And I'm referring specifically to footnote 3,
23 which has two case cites in it.

24 Are those two cases the support for
25 the -- your statement that Lehn's "but-for" world is

1 not part of the TSA damages methodology?

2 A. No, not exclusively.

3 Q. What else?

4 A. They're listed on the back, and I can't tell
5 you which ones also provide support, but there are
6 other cases.

7 Q. So it's case law?

8 A. It is case law, that is correct.

9 Q. Right. And this is -- this is information
10 that you received from plaintiffs' counsel; correct?

11 A. Correct.

12 Q. This isn't an opinion; this is an assumption?

13 A. It is an opinion based on an assumption.

14 The assumption is that the TSA applies and
15 liability judgments can be enforced joint severally.

16 And based on those two assumptions, Lehn's
17 opinions don't make sense because the "but-for" world
18 is not part of that.

19 The bad actor commits a wrong act, causes the
20 damage. Those who are found to have been aiding and
21 abetting in a joint/several liability can be held
22 accountable for the full amount of the damage. So the
23 "but-for" doesn't make any sense.

24 Said another way: If you drive me to the
25 bank and I rob the bank, it doesn't matter whether I

1 and abetter trying to avoid that joint and several
2 liability because all they did was aid and abet.

3 Q. Would you agree that joint and several
4 liability only applies when liability attaches?

5 A. That's what I have been told.

6 Q. And that's what you wrote here; right?

7 A. I guess I did.

8 Q. Paragraph 15.

9 A. Yeah.

10 Q. So in liability, you're not opining on when
11 liability attaches or it doesn't?

12 A. No, I am not.

13 Q. So you're not opining on if -- put aside
14 whether causation has -- can be described in economic
15 terms, you're not opining on whether causation is or
16 isn't an element that the plaintiffs have to prove of
17 their claim; in other words, you're not -- you're
18 opining on damages, not liability; correct?

19 A. You know, I can't -- you're mixing things.

20 Q. Let me ask a different question. I don't
21 want to --

22 A. I can't separate economics from causation of
23 damages.

24 Q. Then let me -- let me make -- put the
25 question -- ask you a better question.

1 The question as to whether a defendant is
2 liable or not under the statute is not a topic you're
3 opining on?

4 A. You are correct.

5 Q. You're opining on damages, assuming liability
6 has been proved?

7 A. Or said from another space: Assuming, in the
8 class certification context, that it will be proved.

9 You know, but I do think it's different, the
10 issue of causation. When you're looking at class-wide
11 damages and the assumption of liability, joint and
12 several, for aiding and abetting, there is clearly a
13 disconnect at that point in time interjecting
14 "but-for" concepts into a damages analysis. It just
15 doesn't make any sense.

16 Q. Again, just so we have this clear. Whether
17 liability is joint and several or not assumes that
18 liability has been proven; correct?

19 A. Correct.

20 Q. The fact that joint and several -- that a
21 recovering party can pursue that recovery on a
22 joint-and-several basis does not impact whether
23 liability has been proven; it's something that follows
24 the proving of liability?

25 A. Or is associated with it.

1 Q. It's a method of recovery?

2 A. Correct.

3 Q. Not a liability standard?

4 A. I'm not sure I'm qualified to answer that
5 question because I don't see the distinction.

6 Q. So moving away from the TSA for a moment.

7 A. Okay.

8 Q. You see the third sentence here: "It is also
9 not part of the damages methodology for Plaintiffs'
10 other claims."

11 What claims are you referring to?

12 A. The one I can recall is a common law aiding
13 and abetting claim. And I don't want to botch my
14 characterization of the third count that I'm thinking
15 of.

16 Q. And is the basis for this statement about the
17 other claims that you have been told to assume that
18 joint and several liability applies to those claims as
19 well?

20 A. Yes.

21 Q. And if that -- as we talked about before, if
22 that assumption turned out to be incorrect, you'd have
23 to revisit this opinion; correct?

24 A. Yes.

25 Q. At the end of paragraph 15, do you see where

EXHIBIT 102

1
2 IN THE UNITED STATES DISTRICT COURT
3 FOR THE NORTHERN DISTRICT OF TEXAS
4 DALLAS DIVISION
5

6 - - - - - x
7 PEGGY ROIF ROTSTAIN, et al., :
8 Plaintiffs, : Case No.
9 vs. : 3:09-CV-2384-N-BG
10 TRUSTMARK NATIONAL BANK, :
11 et al., :
12 Defendants. :
13 - - - - - x

14
15 Toronto, Ontario, Canada

16 Friday, September 25, 2015

17 Videotaped Deposition of:

18 PROFESSOR JANET WALKER

19 the witness, called for examination by counsel
20 for the Class Plaintiffs, pursuant to notice and
21 agreement, commencing at 9:37 a.m., at McCarthy
22 Tetrault, 66 Wellington Street West, Suite 5300,
23 Toronto, before Virlana Kardash, RPR, CSR,
24 Commissioner of Oaths.

25 Job No: 98092

Janet Walker

potentially far more significant than they were in
Lepine. So I would think that -- and I did
actually -- I was asked to do a comparison based on
what you could see at the time between the two actions
with regard to quantum of damages, the kinds of relief
that are being sought, the calculation of attorneys
fees, and the nature of the claim, and to offer my
view as to the differences there.

And as I did in my declaration, my analysis
suggested that in many respects they would be regarded
as more favorable to the plaintiffs than the U.S.
class action. So I think what concerns me about the
notice here is that the notice would have to alert the
claimants to that.

It would have to say, even if the same total
award was granted, the JLs in the Canadian action will
bill their hours but you, Mr. Swanson, will receive
25 percent of the award.

Q Well, that would be great. I wish I would,
but I'm not so sure the judge would allow that. Do
you think he would?

A I don't know.

Q I think I would deserve it.

A I'm sure you would.

1 Janet Walker

2 Q But I don't know if he would give that.

3 A In other words, there is potentially less
4 net award available, that the per-person dollar amount
5 seems to be larger, that potentially the standard of
6 negligence might be easier to demonstrate.

7 Q The what would be easier? I didn't hear
8 you.

9 A The negligence standard.

10 Q Oh, negligence may be easier than the --

11 A Than the allegations in the U.S. Complaint.
12 And I guess the challenges to work out under the
13 Lepine standard and as suggested in paragraph D, the
14 claimants would have to be alerted to all of those
15 differences.

16 And I can't see why, if they were fairly
17 appraised of those differences, why they would not opt
18 out. But at the same time, the notice will say to
19 them, "And if you don't opt out, it would be
20 reasonable to assume that you did not wish to opt
21 out."

22 So they will lose all of their entitlements in
23 any event; so it's kind of a catch-22. I don't see
24 how the notice could be fair and yet still result in
25 them not all opting out. And if they didn't, I don't

1

Janet Walker

2

know if a Canadian court would subsequently be

3

persuaded, quite apart from all the other issues we've

4

been speaking about of the need to have authority over

5

the property, how a Canadian court will be persuaded

6

that it is -- paragraph C, that they were accorded

7

procedural fairness, including adequate notice, if

8

they were held to be bound.

9

Q

So is what you're saying that I could write

10

anything down in the notice? It doesn't matter what I

11

write, that there's a good chance that the notice will

12

be deemed to be not an effective notice?

13

MS. NEUNER: Objection to form. Go ahead.

14

THE WITNESS: I was advised that I can't be

15

told to stop, which is different from Canada.

16

BY MR. SWANSON:

17

Q

Yes. Canada must be pretty annoying then

18

because that would be really annoying if Lynn could

19

just tell you to stop. She'd do it too. She'd do it

20

every single time.

21

A

As I say, it's a catch-22. Again, it's an

22

impossible scenario because, if you completely

23

appraise them, I cannot imagine anybody who would not

24

opt out. Therefore, again, the people who didn't opt

25

out are, in theory, presumed to have consented and

1 Janet Walker

2 therefore are bound by the class action.

3 And I can't see how a Canadian court would see

4 that that is reasonable.

5 Q Are you offering the opinion in this case
6 that the Canadian case offers the investors a better
7 chance of recovery than the American case?

8 A That was my impression from the pleadings,
9 yes.

10 Q Okay. And you think you could discern that
11 from looking at the pleadings because the joint
12 liquidator wrote down 5.5 million and we wrote down
13 4.5 million?

14 MS. NEUNER: Correction for the record.
15 We're talking billions, not millions.

16 MR. SWANSON: Yes. I keep forgetting that.

17 MS. NEUNER: Okay.

18 MR. SWANSON: Thank you.

19 MS. NEUNER: I'll let the question stand.

20 THE WITNESS: That was only one aspect.

21 BY MR. SWANSON:

22 Q I'm sorry. My question was is that opinion
23 based on the fact that the joint liquidators wrote
24 down the figure 5.5 billion and we wrote down the
25 figure 4.5 billion?

Errata Sheet

Page 11, Line 6 "provided there is, A, a real"
Page 16, Line 21 "representative plaintiffs – but, in any event, the other
Page 19, Line 15 "this point -- that the proposal to have them"
Page 24, Line 18 ""B" and the"
Page 25, Line 7 "be -- there was some concern, and these"
Page 25, Line 18 "section 5(1)(e)"
Page 48, Line 2 "Justice Auclair"
Page 48, Line 17 "Justice Auclair"
Page 54, Line 8 "property -- and the property seems"
Page 75, Line 23 "it was not hostile"
Page 77, Line 5 "ABA"
Page 81, Line 11 "working group -- two class"
Page 90, Line 10 "hand gestures have been"
Page 94, Line 20 "time -- and there were a period of years -- when the"
Page 96, Line 23 "Maclean's"
Page 96, Line 24 "Maclean's"
Page 97, Line 20 "Maclean's"
Page 114, Line 8 "action -- receivership process -- just"
Page 120, Line 15-16 "three: identities, parties, issues..."
Page 120, Line 18 "...those are for"
Page 120, Line 19 "term -- more elastic -- in"
Page 121, Line 4 "is: "not necessarily"."
Page 121, Line 6 "pursued -- and"
Page 121, Line 13 ""transaction-based""
Page 121, Line 14 "action -- if "
Page 121, Line 16 "considered -- are"
Page 126, Line 20 "adapt"
Page 135, Line 18 "underway"
Page 141, Line 24 "Well, see, if"
Page 145, Line 23 "apprise"
Page 147, Line 9 "action -- are"
Page 148, Line 20 "Holmsted"
Page 151, Line 8 "seen, for example, in"
Page 153, Line 11 "Holmsted"
Page 153, Line 12 "Holmsted"
Page 154, Line 3 "Walker: Canadian"
Page 155, Line 3 "Process"
Page 155, Line 12 "Garry"
Page 155, Line 13 "Holmsted"
Page 158, Line 12 "equities"
Page 158, Line 23 "Wide"
Page 159 Line 10 "seised"
Page 164, Line 16 ""to be determined""

30 September 2015

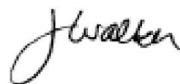


EXHIBIT 103



Appointed SIB Liquidators:


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Preference Payments

Stanford International Bank – In Liquidation (the Bank)

Preference Payments to Creditors in the run up to insolvency

The discussion below is to provide a non-binding broad overview of the background to this issue. It is not intended to be a full examination of the legal issues, rights and remedies of the Bank and its CD holders. The Joint Liquidators' ("JLs") final position will be set out in their Court filings and may differ from the points below.

In the 6 months prior to the appointment of receiver managers in February 2009 over \$1.5BN of funds were withdrawn from the Bank.

Objective

The objective of clawbacks is to have them returned to the pool of funds available to all creditors, so these monies can be redistributed more fairly, to the advantage of those who were left behind in the race to get money out.

These clawbacks fall into two categories

Clawbacks from Net Winners

\$700m of this amount is due from Net Winners. There may be other Net Winners who were paid with interest prior to the 6 month preference period. If we are successful in pursuing these claims this amount will be available for distribution to the investors in future dividend payments. On the basis of Net Winners identified in the preference period this equates to approximately an additional dividend of approximately 14 cents in the dollar, based on claims of \$4.88billion.

Clawback of Preferences

\$600m of the total cash out flow was paid to Investors who have a claim in the estate. We are still investigating persons who received Preference payments, but who for reasons of their own have not claimed for their balance in the estate. If we recover these preference payments it will be available for distribution to all investors. This action will in effect be a redistribution from the investors who have withdrawn large amounts to investors who did not receive any funds or received relatively small amounts in the 6 month period. Investors claims will be increased by the preference once returned.

This will equate to an additional distribution of approximately 11 cents in the dollar based on claims of \$5.23billion (once preference payments have been added back).

The two clawbacks cumulatively have the ability to increase distributions to those that did not benefit to an additional 25% of their claim. This assumes we are able to recover all these monies.

Those who did not receive a Preference will benefit by the full 11%. This is in addition to the Net Winner clawback which could yield an additional 14% making an improvement of 25% to creditors who did not benefit at the expense of other creditors. In the real world it is unlikely that we will be able to recover all the clawbacks, and actual distributions will likely fall short of the additional 25% that is theoretically possible.

We are running a test case to affirm that our position is correct and as a basis to pursue and collect preferences not returned voluntarily.

As a pragmatic option, we are presently open, within fairly tight parameters to ensure consistency and fairness, to negotiate settlements of preferences which reflect the specifics of your situation. Once we have obtained a Court ruling, we would expect to recover them in full.

Click on the question to show the answer

1. What is a Preference payment?

2. How is this relevant in the Stanford International Bank matter?
3. Why have I received a Preference letter?
4. What shall I do if I have received a Preference letter?
5. Why has my claim increased?
6. What happens once I repay the Preference payment to the Estate?
7. What happens if I do not repay the Preference payment to the Estate?
8. What do I do if I disagree with this approach?
9. What is the Preference payment formula?

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Latest News

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DISTRIBUTION PROCESS
UNDERWAY TO SIB CREDITORS
March 4, 2014

The Joint Liquidators Announce First
Distribution
January 20, 2014